

# MERCHANT MARINE ACT--1928



JUNE-JULY 1928

## The Merchant Marine Act—1928

What the Measure Provides

Pro and Con

Will New Law Develop a Merchant Marine?

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## Congress Adjourns

First Session of 70th Congress Ends

Review of Important Legislation Acted Upon

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Regular Departments



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# The Congressional Digest

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# The Congressional Digest

June-July, 1928

Vol. 7 - No. 6

## Congress Adjourns

First Session of Seventieth Congress Ends

Passes 1,000 Bills and Resolutions—Authorizes Expenditures of more than \$4,000,000,000 in 1929—Disposes of Long Pending Problems—  
Taxation—Alien Property—Flood Control—Merchant Marine—Farm Relief—Muscle Shoals.

When Congress convened on December 5, 1927, it was generally understood that there were several questions of major importance, action on which would be strongly urged, either by the Administration or by special groups in the House or the Senate. Listed in this group were the reduction of taxes, flood relief in the Mississippi Valley, farm relief, the merchant marine, Muscle Shoals, the Boulder Canyon water power and irrigation project, alien property, World War veterans' legislation and the navy building program.

### Problems Before the 70th Congress

That vigorous efforts to obtain final action on all these would be made was well understood among their proponents and opponents. However, the conservative estimates of most of those interested were that it was extremely doubtful if they would all be acted upon. The very volume of legislation with which the Seventieth Congress would be confronted, plus the fact that the session would be held during the few months preceding a national election, led them to the conclusion that if Congress disposed of half the big controversial bills before it it would be making an excellent record.

### Major Bills Acted Upon

When, however, Congress adjourned on May 29, after sitting nearly six months, all of the major bills had been acted upon but two—the Boulder Dam bill and the bill authorizing the construction of naval cruisers. Both these had passed the House, but were caught in the legislative jam brought about by the filibuster in the Senate against the Boulder Dam bill during the close of the session. The

Boulder Dam bill was made the unfinished business of the next session and will be given consideration as soon as Congress reconvenes for the second session of the Seventieth Congress in December.

Since the next session will be a continuation of the present Congress, bills which failed of passage at the session just ended do not have to be reintroduced, but retain at the beginning of the second session the same status they had at the close of the first session.

A remarkable feature of this unusual performance was that several of these problems, among them the merchant marine, Muscle Shoals and alien property, had been hanging on for several years.

### One Thousand Measures Passed

An idea of the vast amount of work done by the two Houses of Congress during the session may be gained from the fact that 992 measures had been made into law at the close of the session. That is to say, that number of bills and resolutions had been finally passed by both Houses of Congress and had been signed by the President. In this list were 623 public bills, 297 private bills, 67 public resolutions and 5 private resolutions.

These do not take into account the bills and resolutions vetoed by the President and not passed over his veto, nor bills and resolutions passed during the closing hour and not reported from the White House as the DIGEST goes to press. Actually more than 1000 bills and resolutions were passed.

### Appropriations Exceed \$4,000,000,000

The expenditures authorized in the various money carrying measures total \$4,149,502,526.65 for the fiscal year

1929. The Budget estimate for 1929 was \$4,258,793,765.

The principal interest of the Administration lay in keeping the reductions provided for in the tax bill down to a point where sufficient revenue would be assured for the fiscal year 1929 to meet the amount of the appropriations required to take care of the money spending bills Congress seemed certain to pass.

The veto of the farm relief bill was expected, as was the failure of the Senate to pass it over the veto. What the President would do with the Muscle Shoals bill was problematical on account of its provisions for Government operation. His pocket veto caused no surprise. His probable action on the Merchant Marine bill was the cause of speculation, since that bill also provided for a measure of Government operation, until it was announced at the White House that the President considered that its good features outweighed what he considered its bad features. The Flood Relief bill was rewritten, shortly before its passage, to meet the approval of the White House, as was also the tax bill.

#### *Many Committee Hearings Held*

Beginning with the first deficiency appropriation bill at the opening of Congress, the House Committee on Appropriations kept up a regularly established schedule until the last of the bills had been reported, passed by the House and sent over to the Senate. Thus none of them shared the fate that befell the deficiency appropriation bill of the second session of the 69th Congress, which failed of passage at the end of the session because of a filibuster. In the session just ended all the appropriation bills were sent from the House to the Senate in plenty of time to be given the most thorough consideration and action well before the date contemplated for adjournment. The Alien Property bill, which had been before Congress for several years, was the second money-spending bill to be reported from the House Committee on Appropriations. It had passed both Houses and had been signed by the President on March 10. While both Houses were actively clearing up routine work, committees were

busy with the major controversial measures. The House Committee on Flood Control met before Congress convened and began hearings on a flood control bill, while the Senate Committee on Commerce began hearings on the same subject soon after Congress convened.

The House Committee on Merchant Marine and Fisheries held exhaustive hearings on the Merchant Marine bill; committees of both Houses held hearings on immigration, Boulder Dam, Muscle Shoals and farm relief.

#### *Senatorial Investigations*

During the early days of the session the Senate was occupied with problems of organization, the division being so close that for most of the time the Republicans lacked a majority. The Smith and Vare cases furnished the first major question handled by the Senate. These cases were followed by many more or less spectacular pieces of legislation. The so-called power investigation resolution of Senator Walsh of Montana which was so amended on the floor of the Senate that the Federal Trade Commission and not a special committee of the Senate was directed to make the investigation, and the passage of the LaFollette "third term" resolution attracted much attention.

The Senate also passed the Johnson resolution for an investigation of the strike in the coal fields of Ohio, West Virginia and Pennsylvania by the Senate Committee on Interstate Commerce, which resulted in the report by the committee of Senator Watson's bill creating a Federal coal commission.

Much attention was attracted by the hearings by the special committee of the Senate on pre-convention campaign expenses of the various candidates for the nominations for the Presidency, but no action by the Senate resulted. On the eve of adjournment the House adopted a resolution appointing a similar special committee.

It was the Senate that furnished the spectacular phases of the close of the session with the famous filibuster against the Boulder Dam bill which ended in an agreement to allow the bill to remain as unfinished business in the next session.

*The Editors.*

## *Congress Passes the Tax Reduction Bill*

### *Changes Provided for in Revenue Act of 1928*

As finally passed by Congress and signed by the President, the Revenue Act of 1928 (H. R. 1) provides for reductions in Federal revenues estimated at \$222,495,000.

The Secretary of the Treasury, with the approval of the President, recommended to Congress a reduction of not to exceed \$225,000,000. This recommendation, Secretary Mellon stated before the House Committee on Ways and Means at its hearings held prior to the opening of Congress, was based on the Budget estimates of the revenue that would be required to meet the expenses of the Government for the year 1929.

The bill as passed by the House provided for a total reduction of \$292,515,000.

The House passed the bill on December 15, 1927, and when it reached the Senate it was referred to the Senate Committee on Finance. This committee held back its report on the bill until May 1, when it brought in the House bill with amendments.

On May 21 the Senate passed the bill with additional amendments, providing for a total reduction of taxes estimated at \$208,125,000.

The bill was sent to conference and the conference report, as finally adopted by the Senate on May 25 and by the House on May 26, provided for an estimated reduction of \$222,-495,000.

As finally passed the bill provides for reduction of the income tax on corporations to 12 per cent; repeal of the automobile sale tax; exemption from taxation of theatrical admissions up to \$3; exemption of club dues up to \$25; increase in the earned income allowance to \$30,000; repeal of the tax on cereal beverages; reduction of the tax on wines; repeal of the tax on foreign-built yachts; increased exemption for small corporations, and reduction of the tax on druggists for the handling of narcotics.

An amendment adopted on the floor of the Senate, after the bill was reported from the Committee on Finance, provided for the restoration of the clause providing for publicity of income tax returns. The House conferees refused to accept this amendment and it was stricken out on the floor of the Senate upon reconsideration by a vote of 57 to 23.

(—See CONGRESSIONAL DIGEST, January, 1928.)

# LEGISLATIVE DEPARTMENT

THE PRO AND CON FEATURE ACTION BY HOUSE AND SENATE LEGISLATIVE NEWS ITEMS

## THE PRO AND CON FEATURE:

### *Congress and the Merchant Marine*

Shipping Legislation of the Past

The American Merchant Marine Today

The Merchant Marine Act—1928

Will New Shipping Bill Produce Ships?

What Congress Has Done Since 1916 to Develop the American Merchant Marine

  
T he outbreak of the World War in 1914 practically all of America's exports and imports were being carried by foreign merchant ships. When hostilities began the ships of those nations involved in the war were withdrawn to serve the immediate needs of the belligerents. Vessels of the Allies carried American-bought supplies to Allied countries, but the American trade with neutral countries was severely hampered. America had virtually no ships of her own to serve her own foreign commerce. This had a serious effect on our industries.

#### *Shipping Act of 1916*

In 1916 the acute shipping situation resulted in the passage by Congress of the Shipping Act of 1916 which created a Shipping Board of five members. This Board was a regulatory and investigating body. It was given power to regulate existing American shipping and directed to investigate the general shipping situation and make recommendations to Congress for legislation to aid in the building up of an American merchant marine. When the United States entered the World War in April, 1917, the Army and Navy both demanded that ships be furnished for the transportation to France of men and supplies. To the Shipping Board, although it was merely a regulatory body, was assigned the task of producing a merchant fleet. Additional administrative authority was given it by Congress and it was authorized to incorporate, under the laws of the District of Columbia, a ship-building corporation. This gave birth to the Emergency Fleet Corporation, whose name was changed by act of Congress in 1927 to the Merchant Fleet Corporation.

#### *War-Time Ship Building*

The Emergency Fleet Corporation, through the various existing American shipyards and new yards that were established by it or for it, built about 3,000 ships, counting wooden ships and all types of small craft. Of these something less than 2,000 were standard type, steel vessels, suitable for foreign trade. While many of these ships were well built, staunch vessels which are still giving excellent service so far as seaworthiness is concerned, they were mostly built for emergency and were not, even when built, of the most modern design.

#### *The Merchant Marine Act of 1920*

After the Armistice, Congress enacted legislation revoking the authority of the Shipping Board to build ships, permitting it to complete only those which were so far advanced in construction as to be cheaper to complete than to abandon.

The acquisition of a large number of merchant vessels by the Government as the result of war-time emergency created the problem of what to do with them.

The proponents of Government ownership in Congress took the position that the ships should not be sold but should be retained and operated by the Government. The opponents of Government ownership maintained that the Government should at once dispose of its merchant fleet and leave shipping to private enterprise. The various discussions led to the passage in June, 1920, of the Merchant Marine Act of 1920.

In 1922-23, President Harding advocated a ship subsidy bill as a means of inducing private American capital to purchase Government tonnage. This bill passed the House but did not come to a vote in the Senate.

#### *The Problem of New Ships*

The problem confronting the Seventieth Congress was what to do to bring about the building of modern vessels to take the place of the obsolescent war-built vessels, rapidly reaching a point, according to official reports of the Shipping Board, where they will be practically useless in competition with modern foreign flag vessels; and what to do to place private American ship owners on a more nearly competitive basis with their foreign rivals carrying American exports and imports to and from foreign markets.

Three schools of thought were represented in consideration of the problem. According to one, the solution was for the Government to sell its ships and leave the future of the merchant marine to private industry, aided by some form of subsidy. According to another, representing the opposite extreme, further sales of ships should be prohibited and the work of building up the merchant marine should be done entirely by the Government.

#### *The Compromise Plan*

The third school took the position that experience had

proven that private American enterprise would not and could not successfully develop a merchant marine without a subsidy. That Congress would not vote a subsidy. That, therefore, the Government must continue to operate the ships and develop services until such a time as the lines are on such a basis of self-support that private interests will be warranted in taking them over with a fair chance of successfully meeting foreign competition. As a step toward encouraging private enterprise to build modern, up-to-date vessels, the Government should arrange to lend them money at a low rate of interest for ship construction. As a step toward aiding privately owned steamship lines to defray their operating costs the Post Office Department should be authorized to grant them aids in the form of special contracts for carrying the mails. If private enterprise did not avail itself of the opportunity to build new ships, provision should be made permitting the Government to do so.

#### *The Seventieth Congress Acts*

Since the failure of the ship subsidy bill advocated by President Harding in 1923, which was passed by the House but which failed of a vote in the Senate, various measures designed to aid the merchant marine have been introduced in Congress. It was not until the session, just ended, how-

ever, that one was brought to a vote. Previous failures of shipping legislation were due to the fact that the proponents and opponents of Government operation of merchant vessels, or proponents and opponents of a subsidy to private ship owners could never be brought to any sort of agreement. The present bill was the result of a compromise between the two extreme schools of thought, as advocated by the third group, mentioned above, whereby the Government is left to operate ships only until such a time as private capital will take them over and encouragement is given to private capital to buy Government vessels or build new ones by the increase in the Shipping Board's construction loan fund and the establishment of aid to private operation in the form of mail carrying contracts.

The Merchant Marine act of 1928, S. 744, introduced in the Senate by Mr. Jones, Wash., R., and in the House by Mr. White, Me., R., passed the Senate on January 31. The House Committee on Merchant Marine and Fisheries, after extensive hearings reported the Senate bill with amendments. The bill passed the House on May 5 and was sent to conference. The conference report was adopted by the House on May 14 and by the Senate on May 16. The bill was signed by the President on May 23.

## *America's Merchant Marine Steadily Dwindling*

By Hon. Duncan U. Fletcher  
*U. S. Senator, Florida, Democrat*

#### *Ship Building*

What the leading maritime nations of the world accomplished in the construction of new merchant ships of 2,000 gross tons and over for transoceanic service from 1921 to 1926 is shown by the following figures:

Great Britain built 600 vessels, totaling 3,500,000 gross tons;

Germany built 172 vessels, totaling 650,000 gross tons; Italy built 83 vessels, totaling 506,000 gross tons;

France built 72 vessels, totaling 450,000 gross tons;

Japan built 52 vessels, totaling 250,000 gross tons; and

United States built 14 vessels, totaling 137,000 gross tons.

#### *Ships in Foreign Trade*

In 1921 the United States had in foreign trade 843 privately owned vessels of 2,964,113 gross tons and 1716 Shipping Board vessels of 7,656,604 gross tons, a total of 10,620,717 tons.

On June 30, 1927, the situation was—in foreign trade: Five hundred and twenty-five privately owned vessels of

2,197,507 gross tons and 780 Shipping Board vessels of 4,093,950 gross tons, a total of 6,291,457 gross tons.

In other words, from 1921 to 1927 our shipping in foreign trade has gone from 2,559 vessels of 10,620,717 gross tons to 1,305 vessels of 6,291,457 gross tons. This, while we have been supposedly making every effort to create and maintain an adequate American merchant marine and especially to get it into private hands.

Apparently private ownership has increased since 1914, but under the head of "privately owned" vessels there are oil tankers, totaling 1,011,000 gross tons, owned and operated by oil companies for the transportation of their own products.

#### *Shipping Board Services*

At the present time the Shipping Board is operating twenty-three steamship lines. All but one of these, the United States lines, which operates passenger vessels between New York and English, French and German ports, and which is operated directly by the Board through the Merchant Fleet Corporation, are operated by managing agents on a commission basis.—*Extracts, see 3, p. 214.*

## The Seventieth Congress Passes The Merchant Marine Act of 1928



THE Jones-White bill, known as the Merchant Marine Act of 1928, amends the provisions of the Merchant Marine Act of 1920 and the Shipping Act of 1916 and is supplementary to these two measures. Section 1 of the new act states that "The policy and primary purpose declared in Section 1 of the Merchant Marine Act, 1920, are hereby affirmed."

Section 1 of the Merchant Marine Act of 1920, defining that policy reads, in part: "It is necessary for the National defense and for the proper growth of its foreign and domestic commerce that the United States shall have a merchant marine of the best equipped and most suitable types of vessels sufficient to carry the greater proportion of its commerce and serve as a naval or military auxiliary in time of war or national emergency, ultimately to be owned and operated privately by citizens of the United States."

Among the outstanding features of the new act is the provision that the Shipping Board shall not sell any vessel or line except upon the affirmative vote of five members of the Board.

### *The Sale of Ships*

Section 5 of the Merchant Marine Act of 1920, which provides for the sale of Government owned merchant ships, states: "That in order to accomplish the declared purpose of this Act, and to carry out the policy declared in Section 1 hereof, the Board is authorized and directed to sell, as soon as practicable, consistent with good business methods, and the objects and purposes to be attained by this Act, at public or private competitive sale after appraisal and due advertisement, to persons who are citizens of the United States, all of the vessels referred to in Section 4 of this Act or otherwise acquired by the Board."

There are seven members of the Shipping Board and heretofore the affirmative vote of a majority of the Board, or four members, has been sufficient to approve a sale. The bill, as first passed by the Senate, provided that no sale could be made except by the unanimous vote of the Board, but the House amended this provision to authorize sales by the vote of five members and the Senate accepted the amendment.

### *The Construction Loan Fund*

Under the Jones-White bill the Board is given greater latitude in the matter of remodeling and improving vessels of the Government fleet. Regarding the building of new tonnage for the replacement of the present fleet with up-to-date cargo, combination cargo-and-passenger, and passenger ships, the Board is directed to make to Congress from time to time recommendations setting forth what new vessels are required for permanent operation under the American flag in foreign trade.

The present construction loan fund of \$125,000,000, acquired by the Board from the sale of vessels, is increased to \$250,000,000. Out of this fund the Board may make loans to private American citizens or firms for the construction of new vessels to be privately operated under the American flag.

Under the provisions of the new law these loans may

be made for a period of 20 years. The vessels constructed with money obtained from the construction loan fund must remain under American registry for 20 years. For vessels operated in the coastwise trade the rate of interest is fixed at 5 1-2 per cent. For vessels operated in the overseas trade the rate of interest is to be the lowest rate of interest on any Government obligation outstanding at the time.

### *Board Supervises Construction*

Heretofore the Board could lend only fifty per cent of the cost of the vessel under the construction loan fund. Under the new law it may lend up to seventy-five per cent of the cost of the vessel. All vessels to obtain the benefits of the construction loan fund must be built in American shipyards.

The Board is authorized, before making a loan, to approve the type of vessel, its fitness for service in the merchant marine and its fitness as a naval auxiliary for national defense. The benefits of the construction loan extend also to reconditioning, remodeling, improving or equipping a vessel already built.

The Postmaster General, under the terms of the bill, is authorized to enter into ten-year contracts with American flag lines for the carrying of mails. The payment for carrying the mails is based on the sea speed of the vessels (coupled with the gross registered tonnage of the ship), for the number of nautical miles between the ports involved on each outward voyage. A provision of the bill authorizes the Postmaster General to make arrangements and pay additional compensation for the carrying of mails by air in conjunction with ships.

Vessels which will receive compensation for carrying the mails, which, it is estimated, will cost the Government about \$14,000,000 a year, are divided into seven classes, as follows:

### *Mail-Carrying Contracts*

Vessels in class one, with a speed of 24 knots and a tonnage of not less than 20,000 tons, are to be paid \$12 per nautical mile; class two vessels not less than 16,000 tons, \$10 per nautical mile; class three ships, 18 knots, 12,000 tons, \$8 per nautical mile; class four vessels, 16 knots, 10,000 tons, \$6 per nautical mile; class five vessels, 13 knots, 8,000 tons, \$4 per nautical mile; class six vessels, 10 knots, 4,000 tons, \$2.50 per nautical mile; class seven vessels, 10 knots, 2,500 tons, \$1.50 per nautical mile.

Compensation to class one vessels in excess of the \$12 per nautical mile is authorized in an amount "which bears the same ratio to \$12 as the speed that such vessel is capable of maintaining in ordinary weather bears to 24 knots."

From and after the passage of the new act all officers of vessels carrying mail contracts must be American citizens. For the first four years fifty per cent of the crew, excluding officers, must be American citizens. After four years, two-thirds of the crew must be American citizens. This provision includes the steward's department of each vessel.

The insurance provisions of the present law are so amended as to permit the Government to insure its own equity in vessels toward the construction and reconditioning for which it has made loans.

## *Will 1928 Act Aid American Shipping?*

### **Pro**

HON. WESLEY L. JONES,  
*U. S. Senator, Washington, Republican*



HERE are just two ways by which we can get a Merchant Marine. One is through private energy, private capital; the other is through the Government. I frankly say that I should like to see our American Merchant Marine privately owned and developed with private capital. I think, taking it on the whole, that that is a more efficient way to do it, a more economical way to do it; and at one time I had come to the point where I had concluded that I would vote for the measure that I believed had any chance of success that would lead private capital to go into the building of an American Merchant Marine. But I later came to the conclusion that it is impossible to pass through Congress any measure that will give the aid that is necessary to induce private capital to go into the shipbuilding and ship-operating business.

I believe in putting something through that would be certain. If we can supplement it by and by with something which would induce private capital to take over the ships we built, and to build new ships and maintain the service, I would support it. But I want something that will insure a Merchant Marine and in my judgment the only reasonable assurance that we can get is for the Government to get behind it, and that is exactly what is proposed to be done in this bill.

I get many editorials from papers and a great many letters from individuals denouncing Government ownership of ships and urging that the Government get out of the shipping business, turn over the ships to private parties, and let us have a Merchant Marine in private control and under private ownership. I have not seen a single editorial, I have not received a single letter pointing out how this can be accomplished or how it can be done.

One of the Senators said, "Sell our ships; get the Government out of this; abolish the Shipping Board." In my judgment, that means no shipping. In my judgment, that expresses the attitude that rather than have Government ships they would prefer to have no shipping at all. I would prefer almost any course that will give us a Merchant Marine rather than to have none at all.

I want to note just one objection made to the Government's running these ships. They say that the Government should not compete with private enterprises and private shipping lines, and that is one objection that is urged today to the action of the Shipping Board. The Government ships are not now being run in competition with private shipping and private lines. The Shipping Board is striving to keep from doing that. It does not desire to put the Government resources up against private enterprises where private enterprise is doing things and actually carrying on the business.

I want to call attention to what I might term the flimsiness of this objection. There is only one ship privately owned flying the American flag, running across the Atlantic, that was not purchased from the Shipping Board, and that is a ship operated by the International Mercantile Marine.

The Government can build a Merchant Marine. We can operate it. We are operating it. In my judgment we can eventually operate it efficiently and economically. We are getting down to an economical basis even today with the

*Continued on next page*

### **Con**

HON. SAMUEL M. SHORTRIDGE,  
*U. S. Senator, California, Republican*



LL agree that we should have and should maintain an up-to-date, well-managed, profitable Merchant Marine; that is to say, a fleet of cargo and passenger ships capable of playing a large part in international commerce and be assistant to the Navy in the event of war.

All agree that, having due regard for our national resources and our world-wide, world-extended commercial interest, we have no such Merchant Marine today, either Government owned or privately owned.

We need such a fleet of cargo and passenger type. We have no such fleet; and we, charged with the performance of duty, are called upon to consider how we can acquire such a fleet, the manifest need for which need not be further discussed.

We admit the sad condition of the American Merchant Marine; but what does this bill propose to cure us of the malady; of the sickness which we suffer? In a word, nothing.

We are supposed to consider the bill before the Senate which, of course, will be immortal in history as "S. 744." What is its purpose? What is the use to attempt to conceal, to hide, its easily perceived purpose? Its purpose is to commit this Nation to the Government ownership and control of American ships, of American cargo ships, of American passenger ships—the American Merchant Marine.

I fancy that in some minds there is a sort of confusion as to what "merchant marine" means; but, as used, it simply means American ships to carry freight and passengers. The purpose of this bill is to commit this Nation to the ownership and the control of all American-owned, managed, and navigated ships; for, if the purpose of this bill is ever carried out, there never will be any privately owned American ships. No citizen will be able to compete with this mighty Government. It necessarily follows that those who favor this bill think that the foreign commerce of the United States should be placed in the absolute control and under the sole management of the Federal Government.

I fear there is a disposition growing in this country to lose faith in man and to turn to Government for everything, even as in decadent Rome the people demanded of Government corn and games and gladiators.

I have not lost faith in man, in the American citizen, in his genius, his energy, his courage, his ability. I do not think the time has come when we must turn to State or to Federal Government as wet nurse every time we have a pain.

The proposition running all through this bill is to turn to the Federal Government in the hope that the Government may do that which it is claimed the citizen is unable to do; to do that which it is admitted the Government has failed to do!

I am unalterably opposed to any such doctrine or any such theory and I shall never agree to it until and unless we are forced to admit that we are a decadent and an utterly incapable people.

When gentlemen ask us, however, to turn all the commerce over to the Government's management, they forget the lamentable, the ghastly failure of the Federal Government in respect to that matter.

*Continued on next page*

**Pro**

**HON. WESLEY L. JONES—continued**

uncertainties that exist and with the character of ships we have. Just a few years ago we appropriated \$50,000,000 a year to make up the deficit in connection with the operation of our ships. For the current year, my recollection is that we had an appropriation of only a little over \$13,000,000 for that purpose. I understand that the estimates by the Shipping Board to operate its shipping lines during the next year are only a little over \$13,000,000. In this year's independent offices appropriation bill there is an appropriation of a little over \$12,000,000. It is very likely that that \$12,000,000 will take care of the operation of those ships. Possibly the Board will get the cost reduced and bring it down to a lower sum. They have been gradually reducing it every year during the past five or six years.

In connection with this matter, while we are paying out of the Treasury, maybe, \$13,000,000 or \$15,000,000 or \$16,000,000 a year to make up the difference between the receipts and the expense of shipping, that takes no account of the effect on the shipping rates that our people have to pay. In my judgment, if our merchant ships get off the seas, as they will unless we provide some method of replacement, then our people are going to pay higher rates for the transportation of their products than they are paying now or have been paying in the last few years. In my judgment, the reduction that we can class as due to American ships operated by the Government is many, many times the amount we have had to take out of the Treasury.

The building up of an American Merchant Marine from the beginning was a tremendous task. We had no experience. We had practically been out of the business for half a century. We had no agents anywhere throughout the world to see to getting cargoes for our ships or to represent or handle American interests. We had no trade connections in the various countries of the world. The British Government, through its Board of Trade and through its shipping interests, has agents all over the world to look after English business and English ships. It has trade connections all over the world, and in my judgment no more, and no more effective, trade agents anywhere in the world than in the United States itself.

We had nothing of that kind. We have not yet. That is what we ought to have and is what, in my judgment, we can build up only under a stable system. In my judgment, though it may take time, if the Government gets behind the Merchant Marine, we would develop agencies with skilled people in charge.

The proposed program of replacement would cost about twenty or twenty-five million dollars a year during the next 15 years. It would furnish us not only an adequate, up-to-date American Merchant Marine, but it would furnish to us those vessels which would be suitable for naval auxiliaries in time of war. That should be taken into consideration in connection with the appropriation for these vessels. This program would cost about \$250,000,000.

When we have put up-to-date ships on the routes it is wise to maintain, when we have developed agencies and a personnel in charge of and composed of earnest, skilled, and capable Americans, when we have shown that we are in the shipping transportation to stay, then, if we are dissatisfied with Government ownership and operation, we will have the opportunity to pass such legislation as will lead private energy and capital to take over our ships and services at their true value, and guarantee that these services will be maintained.—*Extracts, see 1, p. 214.*

**Con**

**HON. SAMUEL M. SHORTRIDGE—continued**

The Government has failed, they tell us. When will it succeed? I venture to tell gentlemen who advocate this bill or other like measures that the fatal results of Government ownership and control of American commerce will be, first, the destruction of any privately owned Merchant Marine.

Have we learned nothing by experience? Have we forgotten yesterday? Have we learned nothing from our puerile attempt to run and manage the railroads of America?

There may be those who look upon Government ownership or management of railroads with a certain degree of pride, but I have yet to meet any thoughtful man, or more thoughtful woman who looks back with any rejoicing or any pride upon the manner in which the railroads of our country were managed and operated under Government control. Far better had it been if the laws had been so amended as to permit the railroads to cooperate and carry on during the war rather than to turn them over to the management of one unaccustomed to that business, with the results we now know.

The management of the railroads of this country by this Government was an easy task compared with the management and operation of a National Merchant Marine; and if the Shipping Board is to be made up of the type of members that now appear to control it, what would be the result if they had complete control of the Merchant Marine of a nation of 115,000,000 or 120,000,000 now, and to be vastly greater in the years very soon to come?

If I had the power there would be fewer members of that board as it is now constituted. They would not stay upon the order of their going. I might request their resignations, but if they were not speedily tendered I would exercise the power which the President of the United States now has, without assigning any reason, to give them their walking papers.

If all the commerce of America is placed entirely under the control of a limited number of men they will have the power to build up or to wreck one city or another, to enrich or impoverish one section or another. It is vesting in the Federal Government a power to be so exercised, a power and a control which I do not think should be so vested and which I do not think the Federal Government under our system is competent or has the constitutional right to accept or undertake to exercise.

What is the situation? The Government has title to many ships, some built by ourselves, some acquired during and as a result of the war. Those built by ourselves, of course, were built in great haste for war purposes, not for commercial purposes. They were slow moving, unadapted for modern trade, and certainly were not built to compete with the modern, up-to-date, greater cargo capacity, fast-going, motor-propelled, Dieselized-engine ship of today.

The ships which we thus built, slow-going ships, unadapted to commerce, but avowedly designed for war purposes only, have been for some years and now are under the control of the Shipping Board. The foreign ships since built are faster. Fully 50 per cent of them, we are told, have been Dieselized, both the cargo ships and the passenger ships. Here we have on our hands these remaining old, slow-going, inferior ships. Of course, we can not rival our competitors with this type of ships. They ought to be sold. It would be a good business proposition to give some of them away to any loyal, 100 per cent American citizen who would be willing to take them, or one of them, and undertake to engage in some sort of profitable trade under the American flag.—*Extracts, see 2, p. 214.*

**Pro**

HON. DUNCAN U. FLETCHER,  
U. S. Senator, Florida, Democrat

 HERE are difficulties in connection with Government ownership and operation. I concede that; but we are face to face with the proposition. Shall we have any Merchant Marine or shall we abandon the seas? That is the whole question; and the only certain way that we now know of for having any kind of a Merchant Marine carrying even 30 per cent of our foreign trade is for the Government to own and operate and for the Government to construct and replace and balance the fleet.

In 1830 vessels flying the American flag were carrying 89.9 per cent of our overseas trade, in 1840 they were carrying 82.9 per cent, in 1850 they were carrying 72.5 per cent, in 1860 they were carrying 66.5 per cent. Then came the Civil War, the building of ships out of steel, and new kinds of carriers and various causes resulted in a decline, so that in 1870 we carried only 35.6 per cent of our commerce overseas in American vessels. In 1880 we carried 17.4 per cent, in 1890 we carried 12.9 per cent, in 1900 we carried 9.3 per cent, and in 1910 we carried 8.7 per cent. In 1920, after spending \$3,000,000,000 to build these ships, we carried 42.7 per cent of our foreign commerce in American bottoms. In 1924 we carried 36.3 per cent. Mind you, we begin this policy of getting out of business and getting the ships into private hands, and this is the result: In 1924 we carried 36.3 per cent, in 1925 we carried 34.1 per cent, and in 1926 we carried 32.2 per cent. Probably in 1930, unless Congress takes some positive stand in this connection, we will be getting back to where we were in 1920.

In my judgment, and if I had the authority, I should not say another word about selling ships; I should not insert another advertisement or permit any talk about the Government going out of business. On the contrary, I should announce to the world that private enterprise having failed utterly to take the proper interest in ships and the building of an American Merchant Marine, the Government is in the shipping business to stay, and the policy shall be from now on to eliminate the words in the Merchant Marine Act, "ultimately to pass to private hands," and shall be to aggressively carry out the prime purpose of the Merchant Marine Act of 1920—to establish and maintain an adequate American Merchant Marine, and to that end the Government shall continue permanently to own and operate vessels in overseas trade. I should make this issue in the next campaign; I should put this pledge in the Democratic platform and go to the country on it, announcing clearly and unequivocally the policy of this Government to permanently own and operate merchant ships in foreign trade, to serve American commerce, protect American business abroad, and meet our competitors on common ground abroad, and serve our country in time of need.

There is no doubt but that every foreign competitor desires above all things that the Government shall go out of the shipping business and all ships be turned over to private hands. In looking out for the interests of the United States, I am not given to taking the advice of other countries. It is claimed we are violating a great principle by continuing the Government in the shipping business. I deny it. I am perfectly willing that private enterprise should undertake this business; I would greatly desire that—but for 50

*Continued on next page*

**Con**

HON. WILLIAM S. KING,  
U. S. Senator, Utah, Democrat



CONFESS that after a somewhat careful examination of the conference report and of the bill which the conferees have submitted, that I am not certain as to what the bill means or what it will accomplish. As I interpret it, however, it is neither fish, flesh, nor fowl. It is ambiguous, indefinite, and uncertain. It will be provocative of controversy and result in shifting and changing policies which, in the end, will prove most unsatisfactory and disadvantageous to the Government and to the country.

It has often been charged—and I think there is ground for these charges—that we have been more concerned with shipbuilders than in shipbuilding and that Congress has too often been responsive to the demands of the owners of various shipyards and not sufficiently concerned in the building of ships to engage in foreign trade and commerce.

Legislation has been influenced by the steel interests and the shipbuilding interests, and they have interposed obstacles to the building up of a suitable Merchant Marine. The demands for extortionate tariff duties have not been ignored and unwise navigation laws have been placed upon the statute books, driven through Congress by sordid and selfish if not predatory interests, which result in driving American ships from the seas. If it were a fact that the growth of our Merchant Marine is handicapped because ships can be built at less cost in foreign lands, we could very quickly modify existing laws and provide for the purchase by American citizens of foreign-built vessels to be registered under the laws of the United States and to be operated under the American flag. At the present time no American can acquire a foreign-built ship and have it registered under our laws as an American ship and operated under the American flag. It is a fact which should be considered in the consideration of the shipping problem.

The experiences of the Government since 1918 in the construction and operation of ships can bring no gratification to any American. We have expended more than three and one-half billion dollars in the last 9 to 10 years in the building and operation of American ships. This, of course, does not include the huge sums expended in the construction and operation of naval vessels. The Shipping Board's budget reveals the expenditure of this stupendous sum, and it also reveals losses substantially as great.

I do not think that all of the ships of the Shipping Board could be sold for \$200,000,000. In other words, the billions of dollars which have been expended are now represented by ships of the inconsiderable value of \$200,000,000. The operating expenses have consumed substantially all of the capital invested and also several hundred millions of dollars directly appropriated to meet annual deficits. In 1926 the Government operated in transoceanic trade 293 vessels. Privately owned vessels to the number of 170 were engaged in foreign trade during the same year. But, notwithstanding the revenues derived from the ocean carrying trade, the Shipping Board continued to absorb its capital and demand appropriations from the Federal Treasury to meet deficits.

Mr. Hoover in an address delivered by him in 1924 referred to the evils of governmental ownership of railroads and ships and the failures resulting from its efforts to engage in private business. He referred to the fact that certain utilities were not efficiently operated by the National or

*Continued on next page*

**Pro****HON. DUNCAN U. FLETCHER—continued**

years private enterprise has failed, although we did what we could to encourage it. We were in a helpless condition when the war came on in 1914—in an unnecessary, humiliating, indefensible, foolish position of absolute dependency upon foreign ships to move our products to market and bring to us the things we needed. Now for 10 years past we have spent time and money trying to prove that the Government could not handle this business successfully and trying to persuade private enterprise to get into it. We have been willing to sacrifice the ships, although the people of this country paid some \$4,000,000,000 for this enterprise; the authorities have made every effort to throw that away, and yet with all these inducements private enterprise holds back and refuses to establish and maintain an American Merchant Marine worth while. We are in very much the same position that we were in during the war when the German submarines became active. Marine insurance companies came to Washington and appealed to the Government to go into the insurance business; they declined to write marine insurance—they said the hazard was too great. Responding to their appeal, the Government established a Bureau of War Risk Insurance and protected shipping during those trying days. The rates were reasonable, nowise exorbitant—in fact, if there was any increase it was very nominal. After the war these insurance companies wanted the Government to get out of the business. All right, it did; showing a profit of \$17,000,000 made while engaged in it.

I am thoroughly convinced that the one certain way and, so far as we can tell, the only possible way for us to have an adequate Merchant Marine is for the Government to own and operate merchant ships in overseas trade. We must maintain the routes we now have, although the Shipping Board seems willing to practically give them away if private enterprise would keep them up. I would stop this talk, absolutely, about the sale of routes and the sale of ships; I would not even sell the hulls of our so-called obsolete ships for the purpose of being destroyed or scrapped, as per notices in the New York Journal of Commerce of May 16. On the other hand, I would lay them up in fresh water, possibly in the James River, and keep them there without any expense, even for paint, so that they could be drawn upon for use in emergencies—just as supposedly useless hulls were resurrected and pressed into service during the World War.

In all candor, having been with this problem since 1909, studied it, read and heard everything put forth on the subject that I could reach, I must say that in order to insure the things you want you must go one step further and insist that the fixed policy of the Government shall be that the Government must own and operate these ships in foreign trade, not interfering with private ownership and operation under our flag, but to adequately supply this country's needs.

If the Shipping Board goes out of business and the Government ships in foreign trade pass into private hands, within a year thereafter they will be in control of foreign shipping interests. In any case, whether that follows or not, the world routes of trade will be focused in New York and use of the ports of the South Atlantic and Gulf, so far as overseas trade is concerned, will be greatly curtailed, if not abandoned.

Every maritime nation in the world is doing its best to build ships and put them into foreign trade service except the United States.—*Extracts, see 3, p. 214.*

**Con****HON. WILLIAM S. KING—continued**

State Governments as they were not "planned or equipped for the task."

"Our national shipping is a daily sample of all the arguments I have given, and more. We paid \$3,000,000,000 of the taxpayers' money for a fleet—some part of it was truly for war purposes—but we have written it down 90 per cent in six years to \$300,000,000; and if the accounts were based upon true costs with interests and depreciation we should find that we are losing over \$100,000,000 of the taxpayers' money a year in operating it. Yet private shipping is earning profits. Nor is this the fault of the Shipping Board; it is inherent in system." I believe the views of Mr. Hoover. If we enacted wise navigation laws and adjusted some of the tariff duties as those duties relate to ships and ship construction and repair, an adequate Merchant Marine would be constructed, subsidies would not be required and Government operation would not only be unnecessary but would be disadvantageous to a uniform and proper foreign ocean service system. The bill before us indicates that the Government is to continue owning, building, and operating ships. The Shipping Board is to recondition and repair vessels, and may remodel and improve those in its possession and under its control, without restrictions, and to meet what the board may conceive to be "competition in the foreign trade of the United States."

The Shipping Board is to replace vessels owned by the United States, and in the possession or under the control of the board, and to construct up-to-date cargo, combination cargo and passenger, and passenger ships to give the United States what they conceive to be an adequate Merchant Marine. The board is also directed to present to Congress recommendations for new vessels which the board deems necessary for permanent operation under the United States flag in foreign trade. A construction loan fund of \$250,000,000 is provided. There is no adequate limitation with respect to such loans and to whom they are to be made, and no adequate protection given the United States. However, the board has discretion to impose restrictive terms in making loans so as to defeat the apparent purpose of the loan provisions of the bill. The board is to determine when loans are made; what ships are to be built, whether in private shipyards or navy yards, and the type of ships to be constructed; how "they are to be fitted and equipped, and the character of engines and machinery and commercial appliances." In other words, the board has such unlimited authority that they may impose conditions so oppressive and obnoxious as to discourage the building of ships by private persons with funds obtained from the public Treasury.

As I have heretofore stated, the bill is so uncertain and susceptible of such different construction and so framed as to permit of divergent policies that it is difficult to predict just what the effects of the measure will be. If it is designed to encourage private shipbuilding by governmental loans, the terms of the bill are liberal and generous, but liberal and generous at the expense of the Government. If those enforcing the law take the bureaucratic view, they can pursue a policy which will make the measure wholly inoperative, in so far as it relates to the building of ships by private persons under the loan features of the measure.

The measure I regard as unwise, unjust to the Government, and to the American people. The bill, in my opinion, fails to provide a Merchant Marine or accomplish anything of benefit to the American people.—*Extracts, see 4, p. 214.*

# The McNary-Haugen Farm Relief Bill

## An Official Analysis of Its Provisions

By Hon. Gilbert N. Haugen

U. S. Representative, Iowa, Republican

**T**HE McNary-Haugen farm relief bill, S. 3555, the title of which is "The Surplus Control Act," was passed by the Senate on April 12, 1928, by a vote of 53 to 23. The House Committee on Agriculture and Forestry reported it, with amendments, and the House passed it on May 3 by a vote of 204 to 121. The bill was sent to conference and the conference report was adopted by the House on May 14 and by the Senate on May 16.

On May 23, the President vetoed the bill and sent it back to Congress accompanied by a veto message. On May 26 the Senate sustained the President's veto by a vote of 31 to 50.



THE aim of the McNary-Haugen bill passed in the last session of Congress, and of the one reported out of the House Committee of Agriculture on March 26th is set forth in the opening declaration of policy.

That policy seeks to promote the orderly marketing of agricultural commodities; to preserve advantageous domestic markets; to prevent surpluses from unduly depressing the price obtained, and from causing undue and excessive fluctuations in the markets; to minimize speculation and waste in marketing agricultural commodities, and to further the organization of farmers into cooperative associations.

In other words, the aim is to enable the farmer to market his commodities at an American price level, and to afford him the benefit of a system which is the equivalent of the numerous protective laws that have been enacted, such as that restricting immigration, the Federal Reserve Act, the Tariff Acts, the Adamson Act, and many others.

It aims to enable agriculture to apply the policy generally pursued by organized industry to secure stability and take advantage of protective laws, through coordinating the movement to market of an industry's entire production.

It is proposed that these aims shall be accomplished by creating and financing a Federal Farm Board, friendly to the producers, and vesting it with power to arrange for the marketing of agricultural surpluses by cooperative associations in the interests of all the producers. The Board is authorized during any marketing period in which it is assisting cooperative associations to hold or dispose of surpluses, to collect or withhold an equalization fee. This is necessary in order that each producer may pay his ratable share of the cost of marketing the surplus, just as he receives his proportionate share of the benefits derived from marketing the surpluses in an intelligent fashion.

The Board is to consist of twelve members, one from each of the twelve land bank districts, who shall be appointed by the President, by and with the advice and consent of the Senate, and the Secretary of Agriculture, who shall be a member ex-officio.

The Board shall keep advised of crop prices, prospects, supply and demand, at home and abroad, with special attention to the existence or probability of the existence of a surplus of any agricultural commodity, or its food products. The Board is directed to advise producers in the development of suitable programs of planting and breeding, so that bur-

donsome crop surpluses may be avoided or minimized, in order that they may secure the greatest benefits from the organized marketing of the surplus.

The bill authorizes 4 per cent loans to cooperative associations to assist them in handling crop surpluses and for working capital; to assist them to acquire necessary facilities and equipment for preparing, handling, storing, processing or selling agricultural commodities; and for other purposes. Loans for facilities and for other purposes than to assist in handling surpluses may be repaid by amortization within a period of twenty years, and the total of such loans is limited to twenty-five million dollars out of the revolving fund of \$400,000,000 that is authorized.

The bill provides that the Board may aid cooperative associations to establish clearing house associations to assist in the more orderly production, distribution and marketing of any agricultural commodity, to prevent gluts or famines, and to reduce waste in its marketing. This section is particularly intended to aid producers of perishables like fruits and vegetables.

Upon the finding of certain facts, namely, that there is an actual or prospective surplus which cannot be controlled by means of loans to cooperative associations; and that the nature of the commodity adapts it to safe handling and storage, then the Board, after publicly declaring its findings, is required to arrange for marketing such surplus by means of marketing agreements with the cooperative associations engaged in handling such commodity or its food products, or with corporations created and controlled by one or more such cooperative associations.

Such agreements would either provide for the withholding from market by cooperative associations of any part of the crop; or for the purchase in the market by the cooperative associations or by corporations created or controlled by one or more such associations, of the portion of the crop which must be separately handled in order to stabilize and protect the market. The agreements would provide also for financing such operations as were agreed upon to be replenished out of equalization fees. If the Board found that there were no cooperative associations capable of carrying out marketing agreements with any crop, then it would be authorized to enter into agreements with other agencies. Unreasonable discrimination is prohibited between cooperative associations, or between other agencies.

It is the plan of the McNary-Haugen bill to relieve and prevent agricultural depressions by removing from the market

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## Farm Relief Bill Vetoed by President

Mr. Coolidge States His Objections to Measure

*Price-fixing—Overproduction—Aid to Foreign Agriculture—Wasteful Distribution—Profiteering*



SENATE bill 3555, called the surplus control act, is in some respects an improvement over Senate bill 4808 of the last Congress. It includes several provisions, which, if unencumbered by objectionable features, would form a basis for a measure that should do much to develop stronger organizations in agriculture. But the present bill contains not only the so-called equalization fee and other features of the old measure prejudicial, in my opinion, to sound public policy and to agriculture, but also new and highly objectionable provisions. In its entirety it is little less undesirable than the earlier measure. The bill still is unconstitutional. This position is supported by the opinion of the Attorney General.

In its essentials the objectionable plan proposed here is the stimulation of the price of agricultural commodities and products thereof by artificially controlling the surpluses so that there will be an apparent scarcity on the market. This is to be done by means of a board having supposedly adequate powers and adequate funds to accomplish such purpose through various agencies, governmental and private. The surpluses of the different selected commodities so accumulated by the board are then to be sold by export and otherwise directly or through such agencies at whatever loss is necessary in making the disposition. The fund to pay the losses and other costs while at first furnished by the Government is ultimately to be replaced and thereafter replenished from time to time by means of a tax or fee charged against the product. The theory is that the enhanced price of the commodity would enable the producer to pay the equalization fee and still reap a profit.

A detailed analysis of all of the objections to the measure would involve a document of truly formidable proportions. However, its major weaknesses and perils may be summarized under six headings:

- I. Its attempted price-fixing fallacy.
- II. The tax characteristics of the equalization fee.
- III. The widespread bureaucracy which it would set up.
- IV. Its encouragement to profiteering and wasteful distribution by middlemen.
- V. Its stimulation of overproduction.
- VI. Its aid to our foreign agricultural competitors.

These topics by no means exhaust the list of fallacious and indeed dangerous aspects of the bill, but they afford ample ground for its emphatic rejection.

**I. Price fixing.**—This measure is as cruelly deceptive in its disguise as governmental price-fixing legislation and involves quite as unmistakably the impossible scheme of attempted governmental control of buying and selling of agricultural products through political agencies as any of the other so-called surplus control bills. The bill carefully avoids any direct allusion to such price-fixing functions, but there can be no doubt about its intentions and authorizations to the Federal farm board in this respect. There is apparently no change in the import of the bill in the resolution to impose upon the farmer and upon the consumers of farm produce a regime of futile, delusive experiments with price fixing, with indirect governmental buying and

selling, and with a nation-wide system of regulatory policing, intolerable espionage, and tax collection on a vast scale.

Economic history is filled with the evidences of the ghastly futility of such attempts. Fiat prices match the folly of fiat money.

**II. The equalization fee,** which is the kernel of this legislation, is a sales tax upon the entire community. It is in no sense a mere contribution to be made by the producers themselves, as has been represented by supporters of the measure. It can be assessed upon the commodities in transit to the consumer and its burdens can often unmistakably be passed on to him.

Furthermore, such a procedure would certainly involve an extraordinary relinquishment of the taxing power on the part of Congress, because the tax would not only be levied without recourse to legislative authority but its proceeds would be expended entirely without the usual safeguards of Congressional control of appropriations. This would be a most dangerous nullification of one of the essential checks and balances which lie at the very foundation of our Government.

**III. Widespread bureaucracy.**—A bureaucratic tyranny of unprecedented proportions would be let down upon the backs of the farm industry and its distributors throughout the Nation in connection with the enforcement of this measure. Thousands of contracts involving scores of different grades, quantities, and varieties of products would have to be signed by the board with the 4,400 millers, the 1,200 meat-packing plants, the 3,000 or more cotton and woolen mills, and the 2,700 canners. If this bill had been in operation in 1925 it would have involved collections upon an aggregate of over 16,000,000,000 units of wheat, corn, and cotton.

Swarms of inspectors, auditors, disbursers, accountants, and regulatory officers would be let loose throughout the land to enforce the terms of these contracts and to curb the inevitable attempts at evasion of the equalization fee. This plague of petty officialdom would set up an intolerable tyranny over the daily lives and operations of farmers and of every individual and firm engaged in the distribution of farm products, intruding into every detail of their affairs, setting up thousands of prohibitory restrictions and obnoxious inspections.

Such autocratic domination over our major industry, its dependent trades, and the every-day activities of hundreds of thousands of our citizens would indeed be profoundly repugnant to every instinct of our institutions. It would undermine individual initiative, place a premium upon evasion and dishonesty, and poison the very well-springs of our national spirit of providing abundant rewards for thrift and for open competitive effort.

The arbitrary powers in the hands of the 12 members of the board are almost incredible. But even more extraordinary would be the veto power over the board which this measure places in the hands of the commodity advisory councils.

Acting with the board, these men could throw the entire machinery of the Government into an attempt to raise

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## *McNary-Haugen Farm Relief Bill*

*Continued from page 192*

that portion of a commodity in such manner and such times that it will not be a burden on the market. Thus, it is provided that cooperative associations or corporations created and controlled by such associations, under agreements with the Federal Board, shall buy in the open market with money advanced by the Board, a portion of the commodity, and shall store and dispose of it in accordance with the terms of the agreements. Obviously the cooperative associations and corporations will incur storage and other costs in such operation, and if the price at which the commodity is disposed of by them is less than the price at which it is bought, it is provided that the Board will pay cost and make the contract price good. As an inducement to the cooperative associations and corporations to render the service of removing the surplus, provision is made for the board to pay them a charge or commission.

It is proposed to withhold or collect a sufficient amount to equalize the price and the cost of marketing the commodity incurred by the cooperative associations or corporations upon their transactions by the withholding or collection of a fee upon each unit of that commodity marketed during the period which the board fixes for the removal of the surplus through the agreements. Thus, whenever the board starts such a period, it must estimate the probable losses, costs and charges which will arise under such agreements with the cooperative associations and corporations for the removal of the surplus. On the basis of such an estimate, the board must determine the amount of money to be collected or withheld upon each unit of the commodity marketed during the period, that is, it must determine with the closest possible approximation, the amount which if collected upon each marketed unit of the commodity will be sufficient to equalize the price and to pay costs and charges. This is called the equalization fee.

The equalization fee will be collected or withheld, either upon the sale, the transportation, or the processing of the commodity accordingly as the board designates. Under compulsion of a penalty the person who is engaged in buying the commodity or in the transportation of the commodity, or in the processing of the commodity (i.e., refining, or converting it into products through a process of manufacture), whichever method of collection is designated by the Board, will be required to collect or withhold the fee in respect to the commodity which is bought, transported, or processed by him. This means that the person who is engaged in buying the commodity must deduct the fee from his selling price and to pay the fee withheld, into the Stabilization Fund. If to be collected at transportation, the fee will be added to transportation costs, and paid into the Stabilization Fund, or if at processing, the processor must deduct the fee from the purchase price, and pay it into the Stabilization Fund.

I have set forth in a general way the principles of the legislation. The revolving fund for \$400,000,000, as its name implies, is appropriated for the use of the board in carrying on its broad functions, but always under the assurance that it is to be returned to the Treasury.

The plan of operating through marketing agreements would apply only to staple commodities which are naturally adapted to safe storage and handling. There are other features of the bill which apply particularly to perishable commodities like fruits and vegetables. The loan provision of the bill undoubtedly would have value to assist producers in every line of agriculture.

It is not difficult to estimate what the dollars and cents advantage of the American Farmer would be if by means of this bill the price for his wheat and butter and corn and lard and beef and other commodities protected by the tariff were maintained at the top of the tariff wall, if the tariff were made the yardstick, and prices were stabilized. On that basis, had the McNary-Haugen Bill been enacted and in operation in the year 1925, and had the total domestic production of 1924-25 been marketed and the equalization fee applied as provided in the bill, the total net profit to the producers of wheat would have been \$318,750,000, butter, \$125,925,910; corn, \$522,627,500; lard, \$44,883,300, and beef, \$332,078,400, or a total of \$1,342,265,110. A like profit to the producers for eleven years would have more than paid every dollar of the farmer's indebtedness, including his farm and chattel mortgages and book accounts, in fact, every dollar he owed in 1920.

The continued economic depression, especially in agriculture, is generally recognized. The causes of the depression are many. The outstanding causes are undoubtedly due to the unwarranted sudden deflation policy, which resulted in the continued disparity in prices between agricultural commodities and other commodities; in the low price the farmer receives for what he sells in contrast with the high price he pays for what he has to buy to operate his farm. In other words, the purchasing and debt-paying power of agricultural commodities in many cases, is less than one-half of the pre-war purchasing and debt-paying power.

It is also due to the large exportable surplus of certain agricultural commodities, and the fact that the price obtained from the surplus establishes the price of the whole production. Thus prices are materially lower, due to the unsettled world conditions, and the lower cost of production in foreign countries, which has resulted in an inadequate return to the farmer for his labor expended and capital invested, also the farmer's inability to organize, because of their large numbers, so as to pool their whole production, and market their commodities in such a way as to receive full benefit of the American price level, as organized industry and labor do.

The aim is as before stated, to restore a balanced condition between agriculture and other activities.

In view of the fact that existing protective laws are inoperative to the farmers (however not due to the laws enacted, but due to the farmers' inability to organize, because of their large number) and considering the major party platform pledges, it seems just and fair, that a law should be enacted (not to make a raid upon the Federal Treasury, which the farmers and representatives of the farm groups have so generally protested against—not to loan, as suggested, money to the farmers to put them deeper in debt), but to loan the farmers money to enable them to market their products in a way to make it possible for them to pay off their debts—to provide a way to make it possible for the producers to pool their whole production, to be accomplished through the equalization plan, that is, by each producer paying his ratable share of the costs of equalizing the price and to receive his proportionate share of the profits therefrom, necessary to enable them to take the benefit of the tariff, immigration, banking and other protective laws already established and thus place agriculture on an equal footing with organized industry; in other words, to mete out justice to a worthy and deserving class of American citizens.

## Farm Relief Bill Vetoed by President

*Continued from page 193*

or lower domestic prices at will. Even though such efforts would ultimately be doomed to certain failure, these men would meanwhile, during the course of costly experiment, hold in their hands the fate of vast industries using farm products, employing millions of persons and of great co-operatives with thousands of farmer members. They could disrupt the settled channels of trade and commerce; they could alter at will the cost of living, influence wage levels in all lines of industry, and affect conditions of business in every part of the country. The mere enumeration of such powers is the complete answer to the proposal that they be granted.

**IV. Encouragement to profiteering and wasteful distribution by middlemen.**—As was pointed out in the veto last year, it seems almost incredible that the farmers of this country are being offered this scheme of legislative relief in which the only persons who are guaranteed to benefit are the exporters, packers, millers, canners, spinners, and other processors. Their profits are definitely assured. They have, in other words, no particular incentive toward careful operation, since each of them holding a contract, no matter how unscrupulous, wasteful, or inefficient his operations may have been, would be fully reimbursed for all of his losses.

This would be bound to encourage wholesale profiteering at the expense of the farmer and of the consumer. Every one of these processors could charge what he chose to his domestic trade and recoup the loss incurred on any one of his products thus made unsalable at home through excessive prices by dumping it at reduced rates in foreign markets. With such a complete guaranty of profit these concerns would be entirely without restraint or limitation as to profiteering and as to slovenly and wasteful processing and selling operations.

The packers could be commanded by the board to buy hogs enough to create a near shortage at home and then raise the prices to a fixed level. The unsalable surplus would then be dumped abroad at a loss, which would thereupon be made good out of the pockets of all taxpayers, including the farmers. The operations would involve an impenetrable maze of contracts between the board and hundreds of packers and provisioners. The result would be a bewildering snarl of entangled accounting problems because packing houses buy one kind of product and sell a wide range of highly differentiated specialties. To "equalize" the losses on these would indeed be a task of overwhelming difficulty.

**V. Stimulation of overproduction.**—The bill runs counter to an economic law as well settled as the law of gravitation. Increased prices decrease consumption; they also increase production. These two conditions are the very ones that spell disaster to the whole program. The annals of the industrial and agricultural world are replete with the catastrophes that have come in the wake of such attempted distortions of one of the most fundamental principles of commercial relations.

**VI. Aid to our foreign agricultural competitors.**—This measure continues, as did its predecessor, to give substantial aid to the foreign competitors of American agriculture and industry. It continues the amazing proposal to supply foreign workers with cheaper food than those of the United States, and this at the expense of the American farm industry, thereby encouraging both the foreign peasant, whose produce is not burdened with the costs of any equalization

fees, and also affording through reduced food prices the means of cutting the wage rates paid by foreign manufacturers. The latter step would promptly impair the prosperity of our manufacturing population, which is by far the leading and most profitable market for our farm produce. It is nonsense to say that our farmers are not interested in such a development, which can only result in unemployment and in consequent decreases in food consumption in the great industrial districts. It is surely poor business to transfer the farmer's market from an employed American workman to the latter's competitor in the low wage scale countries across the seas, whose potential buying power and standards of living even at best are far below those of this country.

Lastly, and most important, in connection with this aspect of the bill as an aid to our foreign competitors, the measure will inevitably devastate many of our important farm areas. For instance, the board is expected to obtain higher prices for the American farmer for corn by removing the surplus from the home market and dumping it over our borders at a lower level of prices. In other words, the hog grower in Ontario, Canada, may buy American corn at a very much lower level than the hog grower in the State of Ohio. Both being situated equally as to the European market for their pork products, we shall see immediately the migration of the Ohio hog industries across the border into Canada with consequent losses to our pork industry by this Canadian competition.

All of this assumes that the foreign countries will permit the carrying out of the plan, but many of those countries are interested in the production of their own agricultural industries and will not hesitate to impose higher tariff duties or antidumping laws to prevent such undue depression of their own markets. Furthermore, they would be inclined to institute discriminatory measures in favor of our competitors by way of retaliation. The markets for our surpluses would thus be limited if not fatally obstructed. To stake the future prosperity of American agriculture upon the course of action to be taken by foreign governments acting under such hostile impulses is altogether too hazardous.

This bill also provides that the equalization fee, collected on any agricultural commodity produced in the United States, shall in addition be collected on importations of that commodity. This provision would empower the board to do the following:

- Regulate foreign commerce, for the equalization fee on imports would be in fact a tariff. This surely would be a delegation of legislative power, since no logical rule is prescribed to govern the board's action in making this addition to import duties.

- Raise the domestic price to the consumer, not only to the full amount permitted by the tariff but as far above that amount as the board might deem proper and expedient. This effect on domestic prices was clearly contemplated by the Committee on Agriculture of the House. Speaking of the effect of this provision on wheat, the committee said:

Therefore, the maximum price for all wheat, whether of domestic or foreign origin, would approximate a level that included both the tariff and the equalization fee.

- Nullify the provision of the tariff act that tariff rates

*Continued on page 214*

## *The Reid-Jones Flood Control Bill*

### *Operations of New Measure Outlined*

**By Hon. Frank R. Reid**  
*U. S. Representative, Illinois, Republican*

*The Reid-Jones flood control bill, S. 3740, was passed by the Senate on March 27. It was referred to the House Committee on Flood Control and extensive hearings were held. The bill was passed by the House with amendments on April 24, and sent to conference. The conference report was adopted by the House on May 8 and by the Senate on May 9. The President signed the bill on May 10.*



HE measure adopts the plan of the Army engineers. The differences between it and the Mississippi River Commission plan are to be considered by a special board.

The personnel of the planning agency is the chief of Army engineers, president of the Mississippi River Commission, and one civil engineer appointed by the President from civil life. The planning agency shall consider the engineering differences between the plans, make further study and surveys, if necessary, and recommend to the President the action to be taken. The President's decision is final and shall be followed in carrying out the project.

The Board shall make such surveys between Baton Rouge, La., and Cape Girardeau, Mo., as it deems necessary before any flood control works other than levees and revetments are undertaken. The Jadwin plan, adopted, provides for levees, spillways, and floodways.

Pending completion of the floodways, spillways, or diversion channels, the areas within them shall be as fully protected as the land protected by levees on the west side of the river near the levee at the head of the floodway.

The project adopted covers the lower Mississippi only between Cape Girardeau, Mo., and the Head of Passes. Work is also authorized on the main river between Rock Island, Ill., and Cape Girardeau, Mo., and on the outlets and tributaries affected by the back waters of the Mississippi. The Jadwin plan provides protection against a flood 25 per cent greater than the flood of 1927. The agency to do the work is the Mississippi River Commission, under direction of the Secretary of War and the Chief of Engineers.

The principle of local contribution was declared sound, but in view of the large expenditures already made by local interests, the drainage area involved, and the Federal interest in protecting interstate commerce and the mails, no local contribution to the project is required.

The states or levee districts shall provide rights of way for levees on the main river. The United States is to provide rights of way for the side levees in the floodways. The land acquired by the United States is to be turned over without cost to the states or local interests.

The United States shall pay for flowage rights over the land which will be overflowed by diversions from the main channel and which have not heretofore been overflowed. The benefits to the property are to be considered by way of reducing the compensation to be paid.

The United States shall not be liable for damages from floods, but if the levees are built on one side of the river which throw the water over on the land on the other side, not now overflowed or damaged, the United States shall pay for the damage or the flowage rights.

The appropriation is \$325,000,000. Of this, \$25,000,000 was appropriated for preliminary work, \$15,000,000

being provided for in the second deficiency bill and \$10,000,000 being transferred from existing flood control funds.

The Secretary of War may acquire lands, easements, or rights-of-way by purchase, donation, or condemnation. The condemnation proceedings are to be instituted in the United States district court. The court shall appoint three commissioners to appraise land, whose award, when confirmed by the court, shall be final.

The sum of \$5,000,000 has been authorized to be appropriated as an emergency fund for rescue work or repair and maintenance of the works on all the tributaries, including repair of crevasses caused by the flood of 1927.

For work on tributaries, \$10,000,000 of the appropriation is authorized to be used for levee work on the main river, between Rock Island, Ill., and Cape Girardeau, Mo., and on the tributaries and outlets of the Mississippi affected by the backwaters. For this work the states or levee districts shall provide rights-of-way, pay one-third of the cost of the work, and maintain them.

Flood control surveys are directed to be made by the corps of engineers, of all tributaries of the Mississippi, including the Red, Yazoo, White, St. Francis, Arkansas, Ohio, Missouri, Illinois, Plains, and their tributaries. The surveys are to be made simultaneously with the work on the lower Mississippi, and the reports are to be reviewed by the Mississippi River Commission, and submitted to Congress through the Secretary of War. Out of the appropriation, \$5,000,000 is authorized to be used in making surveys.

The President shall have a study made, through the Secretary of Agriculture, or other agencies, of the effect on flood control of proper forestry practice. The Mississippi River Commission is to make a survey below Cape Girardeau where levees have been built on one side of the river, causing greater overflow on the other side, to determine if construction of levees to reduce the extent of overflow is feasible; also to determine the effect on land between the river and the adjacent hills, of overflow caused by the construction of levees at other points along the river and to ascertain the equities of owners of such lands and their value.

The reports of these surveys are to be submitted to Congress. Also, the Commission is to make a resurvey of the proposed levee between Tiptonville, Tenn., and the Ohio River, Tenn., and if it is found feasible and is approved by the President, the levee shall be built.

The Mississippi River Commission is to have charge of the construction; to make inspection trips to acquire first-hand information, and to hold hearings and receive suggestions from the local people affected. The president of the commission shall be the executive officer; shall have the qualifications of the assistant chief of engineers, and shall be brigadier general. The salary of the president of the commission to be \$10,000; other members, \$7,500.

## The Swing-Johnson Boulder Dam Bill

### Provisions of Measure Passed by House

By Hon. Addison T. Smith

U. S. Representative, Idaho, Republican

The Swing-Johnson Boulder Dam bill, H. R. 5773, passed the House on May 25. It was before the Senate as unfinished business when Congress adjourned May 29 and will continue to hold its place as unfinished business when Congress reconvenes on December 3, 1928.

The provisions of the bill, as finally passed by the House are as follows:

#### *The Project*

The works authorized are:

(1) A dam 550 feet in height at Boulder or Black Canyon, where the river forms the boundary between Arizona and Nevada. Not only do these canyons furnish a wonderful natural dam site, but here is an equally wonderful natural reservoir site, where there will be impounded 26,000,000 acre-feet of water. The estimated cost of the dam is \$41,500,000, or but \$1.62 per acre-foot of storage.

(2) Power plants to utilize the water power created at the dam. (The construction of plants is left optional with the Secretary. He may, instead, lease the water power.) Five hundred and fifty thousand firm or constant horsepower will be available, or 1,000,000 horsepower on a 55 per cent load factor. The estimated cost of installing plants of 1,000,000 horsepower capacity is \$31,500,000, or \$31.50 per installed horsepower, while the cost per installed horsepower of both dam and plants is but \$73.

(3) An all-American canal from the river to the Imperial Valley and Coachella Valley. The estimated cost of the canal is \$31,000,000.

Interest during construction on the cost of these works is estimated at \$21,000,000, which, added to their cost, makes \$125,000,000, the amount of the authorized appropriation. The item of interest during construction does not, of course, represent an actual appropriation, and should the secretary elect not to build power plants the cost of construction of the works would be reduced to \$72,500,000, with a corresponding reduction of the interest item during construction.

#### *Purposes of the Project*

This project, fortunately, will accomplish a number of important purposes.

First. It will end the ever-increasing flood menace of the lower river, which threatens the destruction of large and important communities lying under the level of its channel. The great reservoir will catch and hold the flood waters until they can be released at a rate which the river channel can accommodate with safety. The water so stored will guarantee the lower-basin communities, especially Imperial Valley, a dependable water supply, and by thus making use of the flood waters in the lower basin the upper reaches of the river will furnish abundant water for use in the upper basin without encroaching upon prior appropriations below.

Second. It will end an intolerable situation which now exists in Imperial Valley. This valley now secures its sole water supply by a canal which runs for some 60 miles through Mexico. The all-American canal will furnish a substitute for this and at the same time carry the water at an elevation sufficient to make possible, at some future date, the irrigation of additional land, mostly public, lying about the rim of the cultivated area.

Third. Flood waters conserved at the dam and reservoir, besides providing for irrigation needs below, will provide for

a much-needed domestic water supply for cities on the Pacific Coast.

Fourth. The dam and reservoir will incidentally create a large amount of hydro-electric power from the disposal of which the project will be in a large part financed.

Fifth. The dam will improve navigation, safeguard interstate commerce and protect Government property. Under the operation of the project the flow of the river below the dam will be regulated and even. With its flow unregulated, the river cannot be successfully used as a highway for commerce. In its regulated form it will be susceptible to use by power boats and other small craft. The great reservoir will, of course, be susceptible of navigation.

Sixth. Certain international complications now existing will be largely solved through the construction of this project.

#### *Location for Dam*

The overwhelming weight of opinion favors the Boulder or Black Canyon site. These two sites are close together and are frequently termed the upper and lower Boulder Canyon sites. A dam at either site will store the water in practically the same reservoir basin, virtually all of which is desert land of no value except for reservoir purposes. Natural conditions at this point are extremely favorable for the construction of a great dam at a minimum cost. An immense natural reservoir site is here available. A development at this point will fully and adequately serve all purposes—flood control, storage of irrigation and domestic water, improvement of navigation and power. It is the nearest available site to the power market—an important element from a business or financial standpoint.

#### *Plan of Financing*

The Secretary of the Interior in his report of January 12, 1926, gives his estimate of the financial working of the project as follows:

#### *Capital Investment*

Estimated cost for:	
26,000,000 acre-foot reservoir.....	\$41,500,000
1,000,000 horsepower development.....	31,500,000
The all-American canal.....	31,000,000
Interest during construction on above, 5 years, at 4 per cent.....	21,000,000
Total .....	\$125,000,000

#### *Annual Operation*

Estimated gross revenues from:	
Sale 3,600,000,000 kilowatt-hours, power at three-tenths cent.....	\$10,800,000
Storage and delivery of water for irrigation and domestic purposes.....	1,500,000
Total .....	\$12,300,000

Estimated fixed annual charges for:	
Operation and maintenance, storage and power .....	700,000
Operation and maintenance, all-American canal .....	500,000
Interest on \$125,000,000 at 4 per cent.....	5,000,000
Total .....	\$6,200,000
Estimated annual surplus thought to be suffi- cient to repay the entire cost in 25 years....	6,100,000

## *Should Boulder Dam Bill Be Passed?*

### **Pro**

HON. PHILIP D. SWING,  
*U. S. Representative, California, Republican*

It is far easier to handle the negative of a proposition than it is the affirmative; it is easier to ask questions than to answer them, and to express doubts than to present positive proof. I only wish I had the time to go fully into each and every one of the contentions made by the gentleman from Arizona. They ought to be answered. They can be answered. They have been answered in the investigations made of the project and in the hearings held on the Boulder Dam bill. No project has ever been presented to Congress which has been so thoroughly studied. I sat on the Flood Control Committee from the first of November until the time the hearings were closed in the latter part of January, morning, afternoon and night, and I can truthfully say that the investigations and surveys and reports on the Boulder Dam project are more complete, more thorough, more exhaustive than were the engineering plans for the \$325,000,000 flood-control works that Congress authorized on the Mississippi River.

The reason this bill is before Congress is because on the lower Colorado River there exists a flood menace, which, proportionate to population, is greater than that of the Mississippi. There is nowhere a situation which compares with the menace which exists there.

You have the great Imperial Valley below sea level, with 65,000 American citizens and \$149,000,000 worth of property in that basin alone, and in other lower-basin communities there is additional property to make in the aggregate \$200,000,000 of property, all below the level of the river.

I resent the way the opposition has tried to minimize and belittle the serious and growing menace to life and property in many communities in the lower Colorado River Basin. They damn this situation with faint praise. The trouble is that Arizona's greed and her desire to hold up the project until she can compel revenue has deadened her ears to the cry of humanity and made her blind to an impending catastrophe which imperils her own people only somewhat less than it threatens citizens in California.

No one who is not blinded by partisan passion or controlled by prejudice can fail to visualize the desperate situation of the 65,000 people who live in this valley, shaped like a saucer, with the uncontrolled Colorado River running around a portion of the circumference of that saucer, threatening to break into the valley and destroy it, because the fall of the country toward the valley is three and one-half times as the fall of the country toward the Gulf of California. The opposition would minimize this great danger to life and property. There is no necessity to speculate as to what might happen if the river broke into the Imperial Valley. That has already happened and we know what took place in 1905-06. Eight lives were lost, 180,000 acres were permanently inundated by the newly created Salton Sea, and 25,000 to 30,000 additional acres were so washed over and cut up as to be permanently worthless. Much of this was in a high state of cultivation.

Some have undertaken to calculate the number of years it will take to completely fill up the Imperial Valley, but they seem unconcerned with what would happen at the first rush of water if the river broke at Volcano Lake levee at the height of flood season, with 100 square miles of water, 10 to 15 feet deep, backed up against the levee, as I have

*Continued on next page*

### **Con**

HON. LEWIS W. DOUGLAS,  
*U. S. Representative, Arizona, Democrat*

I am opposed to this bill because I am opposed to the principle upon which it is built. I am opposed to it because it is predicated upon unsound economics. I am opposed to it because it has been absolutely inadequately engineered. I am opposed to it because it is a violation of the very principle which has made this Government great. And, finally, I am opposed to giving Mexico 5,000,000 acre-feet of water against the future development of our own country.

The fundamental issue involved in this bill is whether or not the Federal Government is going to undertake the burden of running an industrial enterprise. The issue is not public ownership versus private ownership. The city of Los Angeles has filed on two power sites on the Colorado River and the numbers of their applications before the Federal Power Commission are Nos. 238 and 647. The city of Los Angeles, if it wants to spend its own money and assume the hazards itself, has a perfect right to go on the Colorado River and attempt to persuade the Congress to appropriate the money, assume the hazards and bear the inestimable losses. So the issue is not one of public ownership as against private ownership. The issue is one of ownership by those who are not to be served, namely, all the people of all the States versus the people who are to be served, all the people of Los Angeles.

That is the issue. And the corollary of that issue, and arising out of it, is the old threadbare issue of whether the States are to be maintained in their vigor and vitality or whether, through the process of infiltration on the part of the Federal Government, they are to be destroyed. The Federal Government is a government of delegated powers. All other powers are reserved to the States or the people. The very minute the Federal Government, under the guise of a fictitious constitutional authority, enters the boundaries of a State, ignores the laws of that State and engages in an industrial enterprise, then, to the extent to which the Federal Government does that, it imposes restrictions and limitations upon the sovereignty or quasi-sovereignty of that State.

Let us take an extreme case. Let us assume that the Federal Government goes into the State of Minnesota, and under the proceedings in eminent domain and through an attempt to exercise a fictitious constitutional authority, acquires all the property within the State of Minnesota. What political rights are left to the State of Minnesota? It can elect a legislature, but in respect to what can the legislature legislate? It can elect a governor, but in respect to what can the governor govern? So that the fundamental issue in this bill is whether the Federal Government is going to undertake an industrial enterprise and whether in so doing it is going to impose unwarranted and unjustifiable limitations upon the quasi-sovereignty of States. That is the fundamental issue.

There are other issues, but they are of comparatively lesser importance, although they in themselves are of inestimable importance. The first is, Are the bill and the project economically sound? I am absolutely certain that they are not. I am absolutely certain that the Federal Government can never be reimbursed for its expenditures. The second question is, Has the project been adequately engineered? The record, as I shall produce it, is conclusive that it has not been adequately engineered. The third is, Is Congress

*Continued on next page*

**Pro**

HON. PHILIP D. SWING—*continued*

myself seen it in the past. With ten to fifteen times the population and with ten times the values in property, of course, the loss is bound to be very heavy. The river has temporarily been forced away from the Volcano Lake levee, but no one believes it can be kept away for long unless control reservoirs are built.

This bill would not be before Congress now or at any other time were it not for the fact that the lives of a hundred thousand people and everything they possess in the world in the lower Colorado River Basin are actually menaced and in danger.

The problem then comes up, and it is for Congress to decide whether to vote \$28,000,000 to \$30,000,000 out of the Treasury of the United States for flood control without any expectation of getting it back and then only do part of the job, or whether to vote more money and make sure of the complete return on the investment. For one, I, looking at it from the viewpoint of a national legislator, see an unusual opportunity to turn a national menace into a national asset. We have here a place where the Government has the right to build a reservoir and to store unused water; here we have an engineering agency that has built the finest dams in the world; our country has ample credit; and it is my opinion that we ought to be able to utilize this dam site, this water and this power market that exists today to accomplish this great and badly needed flood-control work, and at the same time get the Government back the money invested in it. There is no other place in the United States where it is possible to completely and practically permanently control the floods and at the same time get back every dollar expended in doing so.

The bill itself does not authorize a single dollar to reclaim any new land in the United States. Public land that might be reclaimed is withdrawn from entry to prevent speculation, but no new project is authorized by this bill. All that is postponed to some future date, when conditions justify it and Congress sees fit to authorize it. That time must of physical necessity be 10 years away, because it will take that long to build the works now authorized in the bill.

But it is claimed that after the dam is completed and the power plants are built, in order to make the project pay back the cost to the Government enough water must be released to run the power plants, and that this will require between 11,000 and 12,000 cubic second-feet continuous flow, which will of necessity have to go into Mexico, where 1,000,000 acres will be reclaimed by it and planted to cotton by cheap Mexican labor.

Instead of the above being the result of the project, that is the very thing the project is designed to make impossible.

The fact is, as is now evident to every person who has followed in the newspapers the exposure of the power propaganda being brought to light by the Federal Trade Commission, that this whole cotton argument was connived in the minds of the power corporations and assiduously broadcast through the newspapers of the South.

However, this strange situation has been brought to light. While the cotton argument is strong in Georgia, the Carolinas, Alabama, Mississippi and Texas, in Florida the newspapers were filled with the contention that the new land was to be planted to tomatoes; in the Middle West States their contention was that there would be competition to the corn-growing belt, and in the Northwest they raised the fear of wheat competition. This is now all a great hoax got up to defeat this project.—*Extracts, see 7, p. 214.*

**Con**

HON. LEWIS W. DOUGLAS—*continued*

going to make a gift of 5,000,000 acre-feet of water to the Republic of Mexico? And, finally, there are the legal questions. The fundamental question depends upon exactly what this project is.

Let us assume the Colorado should break through its banks and should flow into the Salton Sea. There will be no immediate inundation. The waters of the Colorado will have to follow the line of drainage which has already been made, and that line of drainage is approximately 1,000 yards wide and 40 to 80 feet deep. There is no irrigation in that line of drainage, so that the effect of breaking the banks of the Colorado will simply be that the waters of the stream would flow down through this already created drainage line into the Salton Sea, and it would require 15 years to inundate the Imperial Valley. That is not a statement made by myself, but it is made by the United States Geological Survey. The Bureau of Reclamation even goes further and says it will take 40 years to inundate the Imperial Valley.

Now, let us look at it from a business point of view. What is the value of the property to be protected? The board of equalization of California reports that for the years 1925-26 the total value of property in the Imperial county of California—and that is very much larger than the Imperial Valley—is but \$36,125,953. Secretary Hoover has stated that the value of property to be protected in the whole Colorado Valley is between \$65,000,000 and \$75,000,000. Now, I submit, is it sound business to assume the tremendous engineering hazard and the inestimable economic loss, on top of the outright appropriation of \$125,000,000, to protect property of that value when the same protection can be given for from \$4,000,000 to \$22,000,000? In 1911 the Southern Pacific Railroad submitted an offer to the Federal Government to restore the Colorado to its old banks and to maintain it there at a cost of \$1,500,000.

The Southern Pacific Railroad offered to throw the river into its old channel and to maintain it there for a period of one year, and if it failed to do that, then the Federal Government would not be required to put up one cent. Further than this, if the cost exceeded \$1,500,000, then the Southern Pacific Railroad would assume the burden of such excess.

The reclamation service has estimated that a 4,000,000 acre-foot dam can be constructed for \$22,000,000. The Federal Power Commission and the United States Geological Survey have estimated that a 10,000,000 acre-foot dam can be constructed for not more than \$15,000,000, including damages to Needles and the vicinity.

The Bureau of Reclamation has estimated that adequate flood control can be given for from \$4,000,000 to \$5,000,000.

Now, what is the logic of assuming this tremendous amount of \$125,000,000 for the purpose of protecting property which is not one-third the amount of the appropriation, when adequate protection can be given for a relatively small amount?

Further than this, if this bill is passed there will be no immediate flood control given, because I can assure the members of this committee that the State of Arizona will immediately bring suit to enjoin the construction of this dam. It took 11 years, I believe, to solve the case of Colorado against Wyoming. I think it took approximately an equal amount of time for the court to decide the case of Kansas against Colorado. If this bill passes, there will be no immediate flood control for the lower basin.—*Extracts, see 7, p. 214.*

## *The Norris-Morin Muscle Shoals Resolution*

### *Plan for Operating Alabama Project Explained*

By Hon. John M. Morin  
*U. S. Representative, Pennsylvania, Republican*

*The Norris-Morin Muscle Shoals resolution, S. J. Res. 46, passed the Senate on March 13. The House passed it with amendments on May 16 and both Houses adopted the conference report on May 25. President Coolidge did not sign the resolution within the ten-day period after it reached him, thereby giving it what is termed a "pocket veto." So the resolution does not become law. Senator George W. Norris, co-author of the resolution, has announced that efforts will be made to pass it again at the next session.*



HE joint resolution (S. J. Res. 46), providing for the operation of the Government properties at and near Muscle Shoals provides for the formation of a corporation to organize and operate the project by the construction, maintenance and production of fixed nitrogen or its by-products, including fertilizer, for the sale of surplus power.

As amended by the House there were three major differences in the provisions of the resolution as it was passed by the Senate and as it was passed by the House.

Regarding the first difference, whether the Government property at Muscle Shoals should be operated by the Secretary of War and Secretary of Agriculture, or whether it should be operated by a Government corporation, the conferees agreed to the House language with reference to this provision, with such amendments as are necessary to reduce the number of directors from five to three.

On the second difference, whether Cove Creek Dam should be constructed, the Senate conferees agreed to accept the House language providing for the construction of Cove Creek Dam by the Secretary of War.

The third point of difference, the characters of the products to be manufactured, was settled by compromise, the Senate conferees agreeing to accept in modified form the language of the House with new language added, providing for the manufacture of fixed nitrogen in such form as shall make it immediately available for application to soil and crops, confining the manufacture of fertilizer to experiments, as provided originally in the Norris resolution, but only at Muscle Shoals.

Sections 1, 2, 3 and 4 provide for the organization of the corporation, detailing the number of directors to be named, their tenure of office and qualifications, the executive officers and their duties in the administration of the affairs and details, as well, the general powers of the corporation and the salaries to be paid the various officers.

Section 5 of the conference resolution is divided into a number of lettered paragraphs, detailing the activities of the corporation in the operation of experimental plants at or near Muscle Shoals for the manufacture of fertilizer for experimental purposes.

Paragraph (a) concerns the operation of existing plants for experimental purposes.

Paragraph (b) concerns the acquisition of fertilizers or fertilizer materials from commercial producers that may be needed in developing the experiments.

Paragraphs (c) and (d) provide for arrangement with farmers and farm organizations for the practical use of new forms of fertilizers and co-operation with national, State, district or county experimental stations.

Paragraph (e) provides for the manufacture of fixed nitrogen in such form as shall make it immediately available for application to soil and crops.

Paragraph (f) provides for the donation of not exceeding

1 per cent of the product for use by various experimental agencies so as to obtain information as to the value, effect, and best methods for use.

Paragraph (g) provides for any changes or improvements in existing plants.

Paragraph (h) provides for the establishment and operation of laboratories and experimental plants.

Paragraph (i) gives the board authority to request assistance and advice from other Government agencies.

Paragraph (j) provides for the sale and cost to the Secretary of War and the Secretary of the Navy of explosives or their nitrogenous content.

Paragraph (k) provides for the delivery of power necessary to operate all locks, lifts or other facilities in aid of navigation.

Paragraph (l) provides for the production, distribution and sale of electric power.

Paragraph (m) provides that no product shall be sold outside of the United States except to the United States Government.

Section 6 details the properties of the Government to be turned over to the corporation and how they shall be transferred.

Section 7 provides for the location of the principal office of the corporation and the maintenance of complete and accurate records.

Section 8 provides for reports and audits to be filed with the President and with Congress in December of each year.

Sections 9, 10 and 11 detail the method for the sale of surplus power. These sections provide for the sale of power to States, counties, municipalities or other organizations, with a maximum rate to be fixed by the Federal Power Commission.

Section 12 provides for the deposit of funds of the corporation in the Treasury of the United States at the end of each calendar year.

Section 13 provides for the completion of Dam No. 2.

Section 14 declares the policy of the Government for the utilization of Muscle Shoals.

Sections 15 and 16 provide for the construction of Cove Creek Dam by the Secretary of War.

Section 17 outlines the use of patent rights by the corporation. It was agreed to in conference to speed up any possible court action.

Section 18 provides for the use of the property by the Government during war.

Section 19 provides the penalties incident to any improper conduct in the operation of the project.

Section 20 authorizes the appropriation of \$10,000,000 to carry out the program, including not to exceed \$2,000,000 to begin the construction of Cove Creek Dam during the calendar year 1929.

Sections 21, 22, 23 and 24 are the usual miscellaneous provisions to make the act effective.

## The 70th Congress

*Duration of the 70th Congress, March 4, 1927-March 4, 1929*

*First, or "Long" Session, Convened December 5, 1927. Adjourned May 29, 1928.*

### In the Senate

Membership	47 Republicans	47 Democrats
Total—96	1 Farmer-Labor	2 Vacancies

### Presiding Officer

President: Charles G. Dawes, R.  
Vice-President of the United States

### Floor Leaders

Majority Leader Charles Curtis, Kansas, R.	Minority Leader Joseph T. Robinson, Ark., D.
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### In the House

Membership	237 Republicans	195 Democrats
Total—435	2 Farmer-Labor	1 Socialist

### Presiding Officer

Speaker: Nicholas Longworth, R.  
Member of the House from Ohio

### Floor Leaders

Majority Leader John Q. Tilson, Conn., R.	Minority Leader Finis J. Garrett, Tenn., D.
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## Action Taken by Congress

### A Daily Summary of the Proceedings of the House and Senate

April 20, 1928, to May 29, 1928

**Note.**—This department contains a record of action on the floor of the House and the Senate. By following it from month to month the reader obtains a compact but complete review of the work actually done by Congress throughout the session. The principal abbreviations used are the following: H. R. means House bill; H. Res. means House Resolution; H. J. Res. means House Joint Resolution; H. Con. Res. means House Concurrent Resolution; S. means Senate Bill; S. Res., Senate Resolution; S. J. Res., Senate Joint Resolution, and S. Con. Res., Senate Concurrent Resolution. If reference is made to the consideration or action by the Senate of a House bill or resolution, it means that the House has passed it and sent it to the Senate, and vice versa.

### Friday, April 20, 1928

#### *Senate:*

Passed several bills on the calendar.

Discussed H. R. 8298 for the location of a farmers' produce market in the District of Columbia.

Mr. Wagner, N. Y., D., spoke on unemployment.

Resumed consideration of H. R. 12286, naval appropriation bill.

Mr. Edge, N. J., R., spoke on the Nicaraguan situation.

Mr. Sackett, Ky., R., spoke on Secretary Hoover's management of the Food Administration during the World War.

Executive session.

Recessed.

#### *House:*

Passed several bills on the private calendar.

Mr. O'Brien, W. Va., D., spoke on West Virginia history.

Mr. Berger, Wis., Soc., spoke on the program of the Socialist party.

Adjourned.

### Saturday, April 21, 1928

#### *Senate:*

Passed several bills on the calendar.

Mr. Vandenberg, Mich., R., spoke on unemployment.

Resumed consideration of the naval appropriation bill. Mr. Frazier, N. D., R., spoke in favor of a constitutional amendment prohibiting war.

Mr. Heflin, Ala., D., spoke on the naval oil lease trials.

Messrs. Bingham, Conn., R., Fess, O., R., and others spoke on the Nicaraguan situation.

Recessed.

#### *House:*

Postponed consideration of the flood control bill and considered bills on the private calendar.

Adjourned.

### Monday, April 23, 1928

#### *Senate:*

Resumed consideration of the naval appropriation bill.

Messrs. Norris, Neb., R., Edge, N. J., R., Borah, Id., R., Heflin, Ala., D., McKellar, Tenn., D., Dill, Wash., D., and Simmons,

N. C., D., spoke on the Nicaraguan situation.

Mr. Blease, S. C., D., spoke on the Presidential candidacy of Secretary Hoover.

Recessed.

#### *House:*

Debated S. 3740, the flood control bill.

Adjourned.

### Tuesday, April 24, 1928

#### *Senate:*

Passed several bills on the calendar.

Laid aside the naval appropriation bill and began consideration of H. R. 12875, the legislative appropriation bill.

Mr. Heflin, Ala., D., spoke on the Presidential candidacy of Gov. Smith of New York.

Executive session.

Recessed.

#### *House:*

Resumed consideration of the flood control bill and passed it by a vote of 254 to 91.

Adjourned.

### Wednesday, April 25, 1928

#### *Senate:*

Passed several bills on the calendar.

Resumed consideration of H. R. 12286, the naval appropriation bill. Defeated three amendments to the bill to restrict funds for the maintenance of U. S. marines in Nicaragua, and passed the bill.

Made S. 728, the Boulder Dam bill, unfinished business.

Adjourned.

#### *House:*

Passed a number of bills on the calendar, including bills recognizing the heroism of the crews of certain American and British ships and a bill establishing a steamboat inspection service at Hoquiam, Wash.

Debated and adopted a special rule for the consideration of S. 3555, the farm relief bill.

Mr. Dempsey, N. Y., R., spoke on the proposed St. Lawrence Canal.

Adjourned.

**Thursday, April 26, 1928****Senate:**

Received report from the Committee on Public Lands and Surveys on the case of Robert W. Stewart, who, by the order of the Senate was arrested on February 3, 1928, for refusing to answer questions of the committee investigating the naval oil leases, and adopted a resolution and order sending a copy of the committee report to the U. S. Attorney for the District of Columbia.

Passed S. 4180 authorizing the President to permit the U. S. Marine Band to attend the Confederate Veterans' reunion at Little Rock, Ark., May 8 to 11, 1928.

Resumed consideration of S. 728, the Boulder Dam bill.  
Executive session.  
Adjourned.

**House:**

Mr. McClinic, Okla., D., spoke on alleged abuse of the franking privilege.

Resumed consideration of S. 3555, the farm relief bill.  
Adjourned.

**Friday, April 27, 1928****Senate:**

Mr. Walsh, Mont., D., spoke on the St. Lawrence project.  
Passed several bills on the calendar.

Adopted resolutions of regret at the passing of Representative Martin B. Madden, Ill., R.

Adjourned.

**House:**

Mr. McClinic, Okla., D., and Mr. Andrew, Mass., R., spoke on the investigation by the Committee on Naval Affairs of alleged abuse of franking privileges.

Resumed consideration of the farm relief bill.

Adjourned out of respect to Mr. Madden, Ill., R., whose passing was announced by Mr. Williams, Ill., R.

**Saturday, April 28, 1928****Senate:**

Debated various bills for decorations for American and foreign aviators.

Passed S. 4218 authorizing the President to present the distinguished flying cross to Col. Francisco de Pinedo, Dieudonne Costes, Joseph La Brix, Ehrenfried Gunther von Huenfeld, James C. FitzMaurice and Hermann Koehl.

Passed H. J. Res. 192, providing for the coinage of a medal commemorating the achievements of Col. Charles A. Lindbergh.

Passed S. 3919, giving the Congressional Medal to Lincoln Ellsworth.

Resumed consideration of the Boulder Dam bill.

Recessed until April 29, at 11:45 a. m.

**House:**

Passed H. R. 13331 authorizing the President to present the distinguished flying cross to Ehrenfried Gunther von Huenfeld, James C. FitzMaurice and Hermann Koehl.

Adopted resolutions providing for funeral services in the Hall of the House of Representatives for Mr. Martin B. Madden, Ill., R.

Adjourned until noon April 29.

**Sunday, April 29, 1928****Senate:**

The Senate assembled at 11:45 a. m. and proceeded to the Hall of the House of Representatives.

**House:**

At 12:15 p. m., the Vice-President and members of the Senate entered the House Chamber and joined the full membership of the House in funeral services for the late Representative Martin B. Madden, Ill., R., chairman of the Committee on Appropriations.

Both houses adjourned to meet April 30.

**Monday, April 30, 1928****Senate:**

Passed a number of bills on the consent calendar.  
Resumed consideration of the Boulder Dam bill.

Executive session.

Adjourned.

**House:**

Resumed consideration of farm relief bill and held first night session for debate on this measure.

Adjourned.

**Tuesday, May 1, 1928****Senate:**

Debated S. Res. 139, by Mr. Gillett, Mass., R., requesting the President to reopen negotiations for the joining of the World Court by the U. S.

Debated S. 1727, the Civil Service retirement bill.

Resumed consideration of the Boulder Dam bill.  
Adjourned.

**House:**

Resumed consideration of the farm relief bill.

Adjourned.

**Wednesday, May 2, 1928****Senate:**

Passed several bills on the consent calendar.

Passed H. R. 12030, the postal rates revision bill.

Passed S. 1781, to establish load lines for American vessels.

Resumed consideration of the Boulder Dam bill.

Executive session.

Adjourned.

**House:**

Resumed consideration of farm relief bill.

Recessed to receive the German trans-Atlantic flyers.

Continued consideration of the farm relief bill.

Adjourned.

**Thursday, May 3, 1928****Senate:**

Resumed consideration of and passed S. 1727, the civil service retirement bill.

Laid aside the Boulder Dam bill as unfinished business and began consideration of H. R. 1, the tax bill.

Laid aside the tax bill and began consideration of H. R. 8298 relating to the location of a farmers' produce market in the District of Columbia.

Mr. Heflin, Ala., D., spoke on the Presidential candidacy of Gov. Smith of New York.

Recessed.

**House:**

Resumed consideration of S. 3555, the farm relief bill, and, at the night session, passed the bill by a vote of 204 to 121.

Adjourned.

**Friday, May 4, 1928****Senate:**

Resumed consideration of H. R. 1, the tax bill.

Debated and passed H. R. 9461, the independent offices appropriation bill.

Mr. Norris, Neb., R., spoke on the public utilities investigation of the Federal Trade Commission.

Executive session.

Recessed.

**House:**

Began consideration of S. 744, the merchant marine bill.

Adjourned.

**Saturday, May 5, 1928****Senate:**

Passed a number of bills on the consent calendar.

Resumed consideration of the tax bill and adopted a number of amendments to its administrative provisions.

Executive session.

Adjourned.

**House:**

Resumed consideration of S. 744, the merchant marine bill and passed the bill.

Adjourned.

**Sunday, May 6, 1928****Senate:**

The Senate met at 3 p. m., to hold memorial exercises for the late Senator Woodbridge N. Ferris, Mich., D.

Adjourned.

**House:**

The House met at 2 p. m., to hold memorial exercises for the late Representative James A. Gallivan, Mass., D.

Adjourned.

**Monday, May 7, 1928****Senate:**

Debated and passed the Norris resolution, S. Res. 222, requesting the U. S. Supreme Court to grant the request of counsel for the National Conference on Valuation of American Railroads to appear as amicus curiae in the O'Fallon valuation case before the Supreme Court.

Passed S. Res. 220 by Mr. Walsh, Mass., D., requesting the Departments of State and Agriculture and the Shipping Board to investigate the facts concerning the diversion of American grain shipments from American to Canadian ports and report to the Senate at the next session recommending practical remedies.

Resumed consideration of the tax bill.

Executive session.

Recessed.

**House:**

Debated and defeated H. Res. 179, calling on the Postmaster General for information on the alleged activities of Federal prohibition officers in Pittsburgh, Pa.

Passed a number of bills on the consent calendar.

Debated and passed H. R. 6518, the Welch bill, increasing the pay of Government employees in the classified service.

Adjourned.

**Tuesday, May 8, 1928****Senate:**

Mr. Heflin, Ala., D., spoke on cotton price predictions and the Presidential candidacy of Gov. Smith of New York.

Mr. Bruce, Md., D., spoke on the candidacy of Gov. Smith.

Mr. Norbeck, S. D., R., spoke on the attitude of Secretary Hoover toward agriculture.

Resumed consideration of the tax bill.

Executive session.

Recessed until 8 p. m.

Held night session for passage of bills on the calendar.

Recessed until noon, May 9.

**House:**

Adopted conference report on the flood control bill, S. 3740.

Mr. Jacobstein, N. Y., D., spoke on reapportionment of representation in Congress.

Mr. Snell, N. Y., R., spoke on the tendency of the House to pass bills carrying heavy appropriations.

Passed H. R. 13383, providing for a five-year construction and maintenance program for the Bureau of Fisheries.

Passed a number of bills on the consent calendar.

Adjourned.

**Wednesday, May 9, 1928****Senate:**

Debated and adopted conference report on flood control bill, S. 3740.

Passed a number of bills on the calendar.

Resumed consideration of tax bill.

Recessed.

**House:**

Began consideration of and debated the Muscle Shoals resolution, S. J. Res. 46.

Adjourned.

**Thursday, May 10, 1928****Senate:**

Resumed consideration of tax bill and agreed to several committee amendments. Rejected amendment offered by Mr. Caraway, Ark., D., to tax commodities sold on exchange unless owners keep title.

Executive session.

Ratified in executive session the arbitration treaty with Italy.

Recessed until 8 p. m.

Held night session and passed a number of bills on the calendar.

Recessed.

**House:**

Agreed to conference report on legislative appropriation bill.

Adjourned.

**Friday, May 11, 1928****Senate:**

Passed several bills on the calendar.

Debated and passed by a vote of 65 to 9 the Heflin bill, S. 3845, to prohibit cotton price predictions by Government Departments.

Mr. Heflin spoke on the Presidential candidacy of Gov. Smith of New York.

Messrs. Cutting, Dill, Bruce, Norris, Walsh, Mass., and Shipstead spoke on corruption in elections.

Mr. Norris spoke on the Federal Trade Commission's investigation of public utilities.

Held memorial services for the late Senator Frank B. Willis, O. R.

Recessed.

**House:**

Mr. Mead, N. Y., D., spoke on prohibition enforcement.

Debated and passed S. 777, the emergency officers' retirement bill.

Adjourned.

**Saturday, May 12, 1928****Senate:**

Resumed consideration of the tax bill and adopted amendments providing for graduated tax on small corporations and fixing corporation tax at 12½ per cent.

Executive session.

Recessed.

**House:**

Passed a number of bills on the consent calendar.

Passed H. Res. 198, authorizing the appropriation of \$5,000,-

000 for eradication of the pink boll worm.

Mr. Almon, Ala., D., spoke on Muscle Shoals.

Adjourned.

**Sunday, May 13, 1928****Senate:**

The Senate was not in session.

**House:**

The House met at noon to hold memorial exercises for the late Representative Ladislas Lazaro, La., D.

Adjourned.

**Monday, May 14, 1928****Senate:**

Resumed consideration of tax bill.

Adopted conference report on naval appropriation bill, H. R. 12286.

Executive session.

Recessed.

**House:**

Adopted conference report on the merchant marine bill, S. 744.

Adopted conference report on the farm relief bill, S. 3555.

Began consideration of H. R. 7729 authorizing state governments to forbid the sale in their state of convict made goods.

Passed a number of minor bills.

Adjourned.

**Tuesday, May 15, 1928****Senate:**

Messrs. Bruce, Md., D., and Black, Ala., D., spoke on prohibition.

Resumed consideration of the tax bill.

Messrs. Copeland, N. Y., D., and Fletcher, Fla., D., spoke on the merchant marine.

Mr. Johnson, Calif., R., spoke on Boulder Dam.

Recessed.

**House:**

Adopted conference report on naval appropriation bill.

Mr. Celler, N. Y., D., spoke on army contract awards.

Resumed consideration of convict labor bill, H. R. 7729, and passed the bill by a vote of 303 to 39. This bill gives the states the right to prohibit the sale within their limits of convict made goods shipped from other states.

Began consideration of H. R. 13512, authorizing the appropriation of \$10,000,000 for the operation of inland waterway barge lines by the Inland Waterways Corporation.

Adjourned.

**Wednesday, May 16, 1928****Senate:**

Debated and adopted conference report on the Jones-White merchant marine bill, S. 744, by a vote of 51 to 20.

Adopted conference report on the farm relief bill, S. 3555, without a record vote.

Debated the Caraway resolution, S. Res. 232, for a Senatorial investigation of the New Jersey Senatorial primary elections.

Mr. Bruce, Md., D., and Black, Ala., spoke on political conditions in Alabama.

Mr. Heflin, Ala., D., spoke on prohibition.

Executive session.

Recessed until 8 p. m.

Held night session for passage of bills on the calendar.

Adjourned.

**House:**

Debated and passed S. J. Res. 46, for the operation of Muscle Shoals.

Passed a number of military bills on the calendar.

Adjourned.

**Thursday, May 17, 1928****Senate:**

Resumed consideration of tax bill.

Adopted conference report on D. C. appropriation bill.

Mr. Heflin, Ala., D., spoke on political and religious topics.

Passed a number of bills on the calendar.

Executive session.

Recessed until 8 p. m.

Passed a number of bills on the calendar.

Debated H. R. 7729, the convict labor bill.

Adjourned.

**House:**

Passed S. 2148 to fix standards for fruit baskets.

Adopted, in part, conference report on D. C. appropriation bill but rejected Senate amendments.

Passed H. R. 13512, the inland waterways bill.  
 Debated H. R. 11725, for the reapportionment of members of the House.  
 Adjourned.

### **Friday, May 18, 1928**

#### *Senate:*

Resumed consideration of tax bill.

Passed the Caraway resolution, S. J. Res. 156, providing that condemnation proceedings, now in progress, to acquire a site for a new U. S. Supreme Court building, shall be stopped until Congress can arrange for the purchase of the old Capitol Building to the east of the Capitol grounds.

Mr. Hale, Me., R., spoke on naval construction.

Recessed.

#### *House:*

Passed a number of bridge bills.

Debated H. R. 11725, for reapportionment of members of the House and, by a vote of 186 to 164 recommitted the bill to the Committee on the Census.

Passed H. R. 13873, the second deficiency bill.

Adjourned.

### **Saturday, May 19, 1928**

#### *Senate:*

Rejected conference report on postal rates bill and sent the bill back to conference.

Passed S. Res. 219, authorizing an investigation of unemployment by the Committee on Education and Labor.

Passed S. Res. 154, authorizing the appointment of a special committee of five senators to investigate the Civil Service Commission.

Held night session.

Recessed.

#### *House:*

Mr. Cramton, Mich., R., and Mrs. Kahn, Calif., R., spoke on the Hetch Hetchy, California, water reservoir project.

Passed a number of bills on the calendar.

Mr. Mead, N. Y., D., spoke on prohibition enforcement.

Mr. Black, N. Y., D., spoke on the situation in China.

Mr. Berger, Wis., Soc., spoke on the program of the Socialist party.

Adjourned.

### **Sunday, May 20, 1928**

#### *Senate:*

The Senate was not in session.

#### *House:*

The House met at noon to hold memorial exercises for the late Representative M. E. Crumpacher, Oreg., R.

Adjourned.

### **Monday, May 21, 1928**

#### *Senate:*

Resumed consideration of tax bill, H. R. 1, and passed the bill at night session.

Recessed.

#### *House:*

Adopted conference report on the Muscle Shoals resolution, S. J. Res. 46.

Passed a number of bills on the consent calendar.

Adjourned.

### **Tuesday, May 22, 1928**

#### *Senate:*

Passed a number of bills on the calendar.

Resumed consideration of the Boulder Dam bill.

Executive session.

Recessed until 8 p. m.

Held night session.

Discussed conference report on Muscle Shoals resolution.

#### *House:*

Passed a number of minor bills.

Began consideration of Boulder Dam bill.

Passed over the President's veto, by a vote of 319 to 42, H. R. 5681, providing extra pay for night work in the postal service.

Passed over the President's veto, by a vote of 318 to 46, H. R. 7800, granting allowances for rent, etc., to fourth class postmasters.

Adopted several conference reports.

Adjourned.

### **Wednesday, May 23, 1928**

#### *Senate:*

Resumed consideration of Boulder Dam bill.

Mr. Smith, S. C., D., and Mr. Caraway, Ark., D., spoke on cotton futures speculation.

Received message from President Coolidge accompanying his veto of the McNary-Haugen farm relief bill.

Sent Muscle Shoals bill back to conference.

Mr. Simmons, N. C., D., and Mr. Hefflin, Ala., D., spoke on the Presidential candidacy of Gov. Smith of New York.

Laid aside Boulder Dam bill and began consideration of second deficiency appropriation bill.

Executive session.

Recessed until 8 o'clock.

Held night session for the passage of bills on the calendar.

Recessed.

#### *House:*

Sent back to conference H. R. 2657, the postal rate bill.

Resumed consideration of Boulder Dam bill.

Adjourned.

### **Thursday, May 24, 1928**

#### *Senate:*

Passed four bills over the President's veto—S. 777, making eligible for retirement under certain conditions emergency officers and former officers of the World War forces; S. 3674, authorizing the appropriation, over a period of three years, of \$10,500,000 for the construction and maintenance of post roads through public lands; H. R. 5681, providing additional pay for night work in the postal service, and H. R. 7900, granting allowance of rent, light, fuel, etc., to fourth class postmasters. The House had passed the last-named two bills over the President's veto, so they became law.

Defeated a motion to pass over the President's veto S. 750 raising the rank of bandmasters in the Army.

Considered and passed H. R. 13873, the second deficiency appropriation bill.

Resumed consideration of conference report on Muscle Shoals resolution.

Held all-night session during which the debate on Muscle Shoals resolution continued until 11 a. m., May 25, when the conference report was adopted.

#### *House:*

Adopted conference reports on a number of bills.

Passed over the President's veto S. 777, making eligible for retirement under certain conditions officers of the World War forces. The Senate having passed this bill over the President's veto, it became law.

Mr. McClintic, Okla., D., and Mr. Britten, Ill., R., spoke on the use of mail franking privileges.

Began consideration of and debated the Boulder Dam bill, H. R. 5773.

Adjourned.

### **Friday, May 25, 1928**

#### *Senate:*

After an all-night session the Senate at 11 o'clock adopted the conference report on the Muscle Shoals resolution.

Resumed consideration of the tax bill.

Discussed resolution to pass the farm relief bill over the President's veto.

Resumed consideration of Boulder Dam bill.

Executive session.

Recessed.

#### *House:*

Adopted conference report on Muscle Shoals resolution.

Mr. White, Colo., D., spoke on law enforcement.

Resumed consideration of Boulder Dam bill.

Defeated motion to override the President's veto of S. 3670 for the construction of post roads through public lands.

Held night session for the consideration of bills on the calendar.

Adjourned.

### **Saturday, May 26, 1928**

#### *Senate:*

Adopted conference report on second deficiency appropriation bill.

Adopted conference report on postal rates bill, H. R. 12030.

Mr. Hefflin, Ala., D., spoke on political topics.

Defeated a motion to replace the Boulder Dam bill as unfinished business.

Passed H. R. 13512, for the development of inland waterways.

Executive session.

Adjourned.

#### *House:*

Passed a number of bills on the calendar.

Adopted conference report on postal rates bill.

Adopted conference report on tax bill.

Adjourned.

*Continued on page 214*

## Paragraph News of National Issues

### Compendium of Important Legislation Before the Seventieth Congress

*Status as of June 7*

#### **Agriculture**

The McNary-Haugen farm relief bill passed both Houses, was vetoed by the President and an attempt to pass it over his veto in the Senate was defeated. (See special article in this issue.)

The following bills relating to agriculture passed both Houses and were signed by the President:

The McNary-McSweeney bill, S. 2556, authorizing appropriations for research in forestry.

The Capper-Ketcham bill, H. R. 9495, increasing appropriations for county extension work by the Department of Agriculture.

The bill for the eradication of the European Corn Borer, H. R. 12632.

The Federal highway bill, S. 2327, continuing for two years the authorizations of annual appropriations for Federal highways.

The Sweet resolution, H. J. Res. 282, increasing the appropriations of the Tariff Commission to investigate agricultural products under the flexible provisions of the Tariff act.

The wool standards bill, H. R. 7459.

The Senate joint resolution, S. J. Res. 129, making appropriations for the eradication of the pink cotton boll worm.

The McNary-Woodruff reforestation bill, S. 1181, making appropriations for the purchase of land for reforestation.

The Standard container bill, S. 2148, fixing standards for baskets, hampers, etc., for fruits and vegetables.

#### **Appropriations**

The total of estimates submitted during the session of Congress just ended by the President in the December Budget, and from time to time during the session in supplemental and deficiency Budget estimates, aggregated \$4,637,-376,814.14. The total appropriations made by Congress in all acts and including the amounts under the permanent and indefinite appropriations were \$4,628,045,035.09. The total of appropriations were \$9,331,779.05 less than the total of all estimates.

The amounts carried by the regular appropriation bills as finally passed are as follows:

Agriculture, \$139,138,793.88; District of Columbia, \$37,-625,208; independent offices, \$527,593,111; Interior Department, \$272,656,039; Legislative Establishment, \$27,-746,893.26; Navy Department, \$362,145,812; Departments of State, Justice, Commerce and Labor, \$89,820,597.64; Treasury and Post Office Departments, \$1,061,342,060; War Department, \$398,517,221.50; First Deficiency bill, 1928, \$200,936,947.54; Second Deficiency bill, 1928, \$146,-017,757.74.

Total, regular annual and deficiency appropriations, \$3,-254,340,441.56.

In addition to these there were various permanent and indefinite appropriations totaling \$1,373,704,593.53. These make a grand total of \$4,628,045,935.09.

#### **Aeronautics**

*Army and Navy*—Development of Army and Navy aviation was provided for in a comprehensive program laid down

by the 69th Congress. The carrying out of this program is provided for annually in the regular appropriation bills. No changes are contemplated at this session in the general legislation except concerning the Aircraft Procurement Board and possibly a raise in pay for members of the air service, several bills for which have been introduced.

The House, on January 16, passed a bill providing for an Aircraft Procurement Board, consisting of representatives of the various executive departments using aircraft, whose duty would be to consider and co-ordinate all plans for the procurement of aircraft, aircraft engines and accessories. The bill was before the Military Affairs committee of the Senate when Congress adjourned.

Both Houses passed H. R. 5465, providing that when naval officers are assigned to airships, on duty requiring them to participate regularly and frequently in aerial flights, the Secretary of the Navy may declare such service equivalent to sea duty, and the President signed the bill.

*Civil*—Regulation and advancement of commercial aviation are dealt with in a number of bills introduced in the present Congress. The expansion of the air mail service, operated by private enterprises under contract with the Post Office Department, has been recommended. Increased appropriations for lighting airways have been recommended by President Coolidge and are included in the appropriation bill for the State, Justice, Commerce and Labor Departments. A goal of 1000 miles of lighted airways by the end of the fiscal year ending June 30, 1929, has been set in these proposals.

The bill (H. R. 7213), granting authority to the Postmaster General to make contracts for the transportation by air to foreign countries and insular possessions of the U. S., passed both Houses. This bill was recommended by the Postmaster General in order that he might be able to aid in the development of an air mail service between United States and Latin American countries.

The Department of Commerce appropriation bill carried appropriations of \$4,361,850, for use by the department in the promotion of commercial aviation, of which \$702,000 is for aircraft in commerce and \$3,659,850 for air navigation. The former amount is to cover research work, regulation, licensing, inspection, mechanical work and other administrative work the department carries on. The latter is for extending and lighting airways and assisting in the general development of commercial aviation along established routes.

#### **Alien Property**

On March 10 the President signed the Alien Property bill (H. R. 7201). This measure provides the necessary legislation for the payment of claims of American nationals against Germany and for the payment of claims of German, Austrian and Hungarian nationals for property seized by the American Government during the World War.

#### **Banking**

The McFadden bill, H. R. 6491, making it possible for a maximum of three banks to have interlocking directorates, if not in substantial competition with each other, passed both Houses and was signed by the President.

The McFadden bill, H. R. 1051, authorizing State banks

to become Government depositories, passed both Houses and was signed by the President.

The McFadden bill, H. R. 12245, extending the powers of the War Finance Corporation, passed both Houses and was signed by the President.

The McFadden bill, providing for the retirement of employees of the Federal Reserve system, was reported by the House Committee on Banking and Currency but was defeated on the floor of the House.

Hearings were held by both Houses and Senate Committees on bills to change limitations of the powers of States to tax national bank shares, but no action was taken by either committee. (See *CONGRESSIONAL DIGEST*, March, 1926.)

#### Boulder Dam

The Swing-Johnson Boulder Dam bill passed the House, but failed to come to a vote in the Senate on account of a filibuster. (See special article this issue.)

#### Child Labor

The amendment to the Constitution passed in June, 1924, for the protection of children would give to Congress the power to legislate with respect to the work of persons under 18 years of age. To date five States have ratified the amendment, two have rejected it, nine have rejected it in one house of the State legislature, two have postponed indefinitely its consideration and the remaining States have taken no action. Representative Zihlman of Maryland introduced a bill H. R. 6685 in the House to regulate child labor in the District of Columbia, has passed the House, has been reported to the Senate, but was not reached on the calendar. (See *CONGRESSIONAL DIGEST*, February, 1923.)

#### Civil Service

The Smoot-Welch bill, H. R. 6518, for increased pay for certain classes of employees in the Civil Service, passed both Houses and was signed by the President.

The Dale bill, S. 1727, providing for retirement of Civil Service employees, passed the Senate but failed of passage in the House.

The Dale bill, placing under the classified service postmasters promoted from the ranks, and the Dale bill, extending the Civil Service to postmasters of the third class, were not reached on the Senate calendar.

The Brookhart bill, S. 1995, placing prohibition agents under the classified service, was not reached on the Senate calendar.

#### Cool

Following the adoption by the Senate on February 16 of the Johnson resolution, S. J. Res. 195, for an investigation of the coal strike in Ohio, Pennsylvania and West Virginia, the Senate Committee on Interstate Commerce held hearings and conducted an investigation. On May 18 Mr. Watson, Ind., R., reported from the committee a bill, S. 4490, providing for the creation of a Federal Coal Commission to regulate the industry. A similar bill was introduced in the House on the same day, H. R. 13880, by Mr. Rathbone, Ill., R.

#### Copyright

Both Houses passed H. R. 6104, a bill increasing registration fees in the Copyright office from \$1 to \$2 on all published works and increasing to \$1 the cost of copyright catalogues, and the President signed the bill.

The House Committee on Patents held hearings on various bills for amending the patent laws.

The bill for the protection of trade marks used in commerce and to authorize their registration, H. R. 13109,

passed the House and was before the Senate Committee on Patents when Congress adjourned. (See *CONGRESSIONAL DIGEST*, October, 1927.)

#### District of Columbia

Both Houses passed a bill appropriating \$25,000,000 for the purchase of land south of Pennsylvania Avenue, from First to Fifteenth Streets, known as "The Triangle," for sites for public buildings, and the President signed the bill.

Hearings were held by the Senate Committee on the District of Columbia and the House Committee on the Judiciary on resolutions for an amendment to the Constitution granting suffrage to citizens of the District, but no action was taken. (See *CONGRESSIONAL DIGEST*, December, 1927.)

#### Flood Control

The Flood Control bill passed both Houses and was signed by the President. (See special article this issue and *CONGRESSIONAL DIGEST* for February, 1928.)

#### Foreign Affairs

Thirteen treaties with foreign nations were ratified by the Senate during the session. Three failed of ratification, but only because they were sent to the Senate on the closing day of the session when there was no time left for their consideration. Of those ratified, two were extradition treaties, with Poland and Honduras; three were arbitration treaties, with France, Italy and Germany; two were treaties of friendship, commerce and consular rights, with Honduras and Latvia; one for conciliation, with Germany; one for safeguarding livestock interests, with Mexico; one a protocol to the international Pan American Sanitary Convention of 1924; one a protocol to a treaty for the advancement of general peace of 1913 (one of the Bryan treaties) with the Netherlands; one a treaty on the smuggling of liquors, with Greece; one an international radio telegraph convention.

The Gillett resolution for the opening of further negotiations looking to the joining by the United States of the World Court was still before the Senate Committee on Foreign Relations at the close of the session, a motion, in committee, to report it, having been defeated.

The Senate resolution, S. J. Res. 131, for the participation of the U. S. in the international conference for safety at sea passed both Houses during the closing hours, but was not enrolled in time to reach the President before adjournment.

Bills for the reorganization of the State Department were before the committees of both Houses, but were not reported.

A number of resolutions were passed for the participation by the U. S. in various international meetings and conferences.

#### Immigration

Both Houses adopted S. J. Res. 113, postponing for a year the application of the national origins method of computing immigration quotas as provided in the Immigration Act of 1924. A bill for the relief of separated immigrant families and a bill exempting from the operations of the immigration laws AmeriCanadian Indians born in Canada. (See *CONGRESSIONAL DIGEST*, May, 1928.)

#### Labor

The Cooper-Hawes bill, H. R. 7729, permitting State governments to determine whether convict made goods made elsewhere shall be sold in their States, passed the House and was reported to the Senate by the Committee on Education and Labor. It was not reached before adjournment, but retains its place on the Senate calendar and is expected, by

its supporters, to receive early consideration at the next session.

Bills introduced in the Senate by Mr. Shipstead, Minn., F. L., and in the House by Mr. LaGuardia, N. Y., R., to eliminate the issuing of injunctions in labor disputes, were the subject of hearings by the Senate and House Committees on the Judiciary, but were not reported.

The Bacon bill, providing that wages paid to those employed on Federal construction work shall be the same as the prevailing wages paid for State government work in the State where the Federal work is being done, was reported by the Committee on Education and Labor and is on the House calendar.

#### **Merchant Marine**

Both Houses passed the Jones-White Merchant Marine bill, which was signed by the President. (See special article this issue.)

#### **Motor Buses**

Bills for Federal control of motor-bus lines were considered by the House Committee on Interstate and Foreign Commerce, which held hearings and received from the Interstate Commerce Commission special reports on these lines, but no action was taken.

#### **Muscle Shoals**

Both Houses passed the Muscle Shoals resolution, but the President gave it a "pocket veto." (See special article this issue.)

#### **National Defense**

A number of important measures having to do with the National Defense were enacted into law during the session of Congress just ended. The War Department was deeply interested in the Muscle Shoals bill since it provides for the manufacture of nitrates. A bill authorizing the expenditure of approximately \$27,000,000 for housing projects at army posts passed both Houses and became law. The various promotion bills were held over until next session.

The Army appropriation bill provides for a commissioned strength in the regular Army of approximately 1200 officers and 118,750 enlisted men; for a National Guard of 188,000 and for the training of about 19,000 reserve officers. Provisions have been made for the training of about 35,000 at civilian training camps.

Owing to the parliamentary situation in the Senate during the closing days of the session, the Naval cruiser construction bill failed to come to a vote. It will be pressed in the Senate early in the next session, having been passed by the House. A bill for shore housing for navy and marine corps personnel is before the House, having been reported from committee, and it is expected to receive prompt action at the next session.

On March 17 the Secretary of the Navy presented to the House Committee on Foreign Affairs a letter from the General Board of the Navy opposing the resolution of Mr. Theodore Burton, O., R. H. J. Res. 183, to prohibit the exportation of arms and munitions to belligerent nations. The Burton resolution had been reported by the Committee on Foreign Affairs, but was recommitted in order that the objections of the War and Navy Departments might be heard. The principal objection of the Board, supported by the Secretary, was that it would do away with the present control by the President of the United States of shipments of arms to Latin American countries. This would result in the purchase by those countries of arms in other countries than the United States and their ability to keep such purchases secret, and would develop the manufacture of arms

in the Latin American countries, thereby increasing the chances for revolutionary disorders. The Board recommended that international traffic in arms and munitions should continue under the control of international law. On March 15 the Secretary of War appeared before the committee and opposed the resolution on the ground that it would be the means of crippling the munitions industry of the United States and a consequent impairment of the national defense. Protests were also presented by patriotic societies and representatives of the American chemical manufacturers.

The bill was still before the committee when Congress adjourned.

#### **Norris Amendment**

The Senate, on January 4, passed the Norris resolution providing for an amendment to the Constitution of the U. S., fixing the terms of the President and Vice-President and changing the date of convening and adjournment of Congress. The resolution was referred to the House Judiciary Committee, which reported it with slight amendments contained in a similar resolution introduced in the House by Mr. White, Kans., R. On March 9 the House defeated the resolution. A two-thirds vote was required for its passage, since it provided for an amendment to the Constitution. The vote in the House was 209 for the resolution and 157 against it.

#### **Philippine Independence**

Several bills have been introduced in previous years demanding independence for the Philippines, but no action has been taken on the floor of either House of Congress. Bills have been submitted to this Congress, but none of them have administrative backing. (See CONGRESSIONAL DIGEST, April, 1924.)

#### **Postal Rates**

Both Houses passed the postal rate bill, H. R. 12030, for a reduction of various postage rates. The total reduction of postal receipts, it is estimated, will be about \$16,000,000 a year.

The principal provisions of the bill are the restoration of one-cent postcards; the acceptance of business cards and letters in business reply envelopes without prepayment of postage; the collection of one cent an ounce on first-class matter when mailed with deficient postage; reduction of second-class rates on advertising sections of publications and the postages on magazines and newspapers, when sent by others than the publisher or news agent; the fixing of a minimum charge on second-class matter when there are more than 32 pieces to the pound; reductions of rates on fourth-class matter; the fixing of bulk rates for fourth-class matter; the authorization of special handling and special delivery at reduced rates. (See CONGRESSIONAL DIGEST, February, 1925.)

#### **Prohibition**

No action has been taken on the many bills introduced for the modification, enforcement or repeal of the Eighteenth Amendment by committees in either House of Congress. During consideration by the House of the Treasury Department appropriation bill on February 14 Mr. Linthicum, Md., D., one of the anti-prohibition leaders in the House, offered an amendment to prohibit the issuance of permits for the removal of any alcohol containing poisonous drugs or other injurious compounds. The Linthicum amendment was defeated by a vote of 167 to 29. (See CONGRESSIONAL DIGEST, October, 1924, and June, 1926.)

### Public Health

Both Houses passed the Parker bill, H. R. 1126, providing for the co-ordination of the various public health activities of the Government, but the President vetoed it.

### Public Utilities

On February 15 the Senate, by a vote of 46 to 31, adopted the amendment of Mr. George, Ga., D., to the resolution of Mr. Walsh, Mont., D., providing that the investigation of public utilities corporations be made not by a committee of the Senate, as Mr. Walsh proposed, but by the Federal Trade Commission, and passed the Walsh resolution thus amended. Under the terms of the George amendment the Federal Trade Commission is required to report to the Senate every 30 days the progress of the work.

### Radio

Both Houses of Congress passed the bill continuing in operation for another year the Federal Radio Commission, and so amending the Radio Act as to make it mandatory upon the Commission to make an equal distribution of radio facilities throughout the country.

### Railroads

The Parker railroad consolidation bill, H. R. 12620, for the consolidation of railroads engaged in interstate commerce, was reported from the Committee on Interstate and Foreign Commerce, but was not acted upon in the House. The Fess bill, containing practically the same provisions as the Parker bill, was not acted upon by the Senate Committee on Interstate Commerce. These bills are satisfactory to the railroads and action on them is expected at the next session.

The Capper bill to equalize the rail rates on grain shipped from Northwestern States for export has been approved by the Senate Committee on Interstate Commerce and is on the Senate calendar. This measure is designed to put American grain shippers on an equality with Canadian grain shippers, who now enjoy an advantage in lower freight rates from their grain fields to the Atlantic Coast.

Miscellaneous railroad bills, including several to eliminate Pullman surcharges, are before the committees, but remained unacted upon at the close of the session. (See CONGRESSIONAL DIGEST, March, 1927.)

### St. Lawrence Canal

On January 7 the National Advisory Council for Canada endorsed the project of the joint committee of Canadian and American engineers for the construction of the St. Lawrence Canal. No formal negotiations have been entered into by the United States and Canada. The St. Lawrence Commission of the United States has recommended that the two Governments enter into a treaty on the project. Legislation on this subject will not be considered until diplomatic negotiations are concluded. (See CONGRESSIONAL DIGEST, January, 1927, and January, 1928.)

### Tariff Revision

Downward revision of the tariff, designed to place agriculture on parity with industry, was recommended by Senator McMaster, S. D., R., and adopted by the Senate on January 16 after a week of debate. The resolution was supported by Senators from the Agricultural States of the Central Northwest and by the Democrats. The resolution was sent to the House, where revenue legislation must originate, and referred to the Committee on Ways and Means. A number of tariff bills are awaiting consideration by that committee. The President has declared himself opposed to tariff reduction. (See CONGRESSIONAL DIGEST, January, 1928.)

### Taxation

Both Houses passed the Tax bill, H. R. 1, and the President signed it. (See special article this issue.)

### Veterans

Four major bills affecting World War veterans were passed by the House and the Senate and signed by the President. They were the Rogers bill, authorizing \$15,000,000 for hospital construction; the Green bill, extending for two years the time for applying for the Federal bonus; the Tyson bill for the retirement of disabled emergency officers and the Johnson bill, amending the World War Veterans' act which governs the Veterans' Bureau.

The Johnson bill makes the following changes in the present World War Veterans' act:

Amends section 19 to provide a Federal statute of limitations on insurance suits of six years after the right accrues, or one year from the date of the approval of this Act.

Amends section 21, to provide for the payment of expenses of original appointments of guardians.

Amends section 28 by substituting the word "person" for the word "beneficiary," so as to bring within the purview of the section persons other than beneficiaries to receive payments without fault on their part, etc.

Provides authority for obtaining services of translators by contract by the Veterans' Bureau.

Provides authority for the purchase of transcripts of court records, including all evidence of trial in litigated cases.

Amends the Bureau provision to provide an allowance of \$107.00 for funerals, in the discretion of the Director.

Provides authority for burial contracts within the limits of the amount allowed without regard to the law prescribing advertisements for Government work, and validates burial contracts heretofore entered into on such basis.

Amends section 201, to provide for the payment of compensation to children between the ages of 18 and 21 who are attending school.

Amends section 202 by substitution of the word "may" for shall, thereby giving the Veterans' Bureau discretionary power in the apportionment of compensation when married couples are separated, accompanying this amendment with a committee report that when a veteran protests apportionment of his compensation to his wife from whom he is separated the wife must offer proof that she is in necessitous circumstances and leading a moral life.

Extends section 206 of the Act for presenting evidence on claims to April 6, 1930.

Extends section 209, for the presentation of claims, to April 6, 1930.

Equalizes compensation of the widow and children under the War Risk Insurance Act by placing them on the same basis as women and children receiving compensation under the World War Veterans' Act.

Destroys the permitted class of beneficiaries for converted insurance by making the permitted classes applicable only to the yearly renewable term insurance.

The Senate amended the House bill by inserting a provision authorizing reconversion to policies at a lower premium rate, where the insured is in good health, for all policies except the five year level premium form.

Provides for any person, heretofore eligible to apply for yearly renewable term insurance, to now apply directly for converted insurance if the applicant is in good health.

Provides that any person who is totally disabled for a period of twelve consecutive months shall be rated a "permanent total" for benefits under his insurance contract, payments to be effective as of the date such total disability began, no retroactive payments to be made except where there is a period of total disability followed by permanent total disability, in which even payments shall be made effective not more than one year prior to the passage of this amendment.

# EXECUTIVE DEPARTMENT

## *The White House Calendar*

April 20 to June 4

### **Addresses**

*May 16*—Address of President Coolidge at a joint meeting of the American Federation of Arts and the American Association of Museums, Washington, D. C.

*May 19*—Address of President Coolidge at the One Hundred and Fiftieth Anniversary of Phillips Academy, Andover, Mass.

*May 23*—Address of President Coolidge returning without approval Senate bill 3555, entitled "An Act to Establish a Federal Farm Board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in Interstate Commerce," to the Senate, Washington, D. C.

*May 30*—Address of President Coolidge at Gettysburg Battlefield.

### **Executive Orders**

*April 19*—An executive order re-establishing the Pathfinder Reservation, Wyoming, as a bird preserve.

*May 3*—An executive order reserving several tracts of land in Nevada for use by the Department of Commerce for air navigation facilities.

*May 3*—An executive order creating Durham, N. C., a customs port of entry.

*May 2*—An executive order withdrawing two tracts of land in Utah for use by the Department of Commerce for air navigation facilities.

*May 22*—An executive order withdrawing certain lands in Idaho desired by the city of Buhl for aviation purposes.

*May 25*—An executive order withdrawing certain lands in Utah for addition to the Zion National Park.

*May 28*—An executive order reserving a tract of land in Utah for use by the Department of Commerce for air navigation facilities.

*May 29*—An executive order creating Charlotte, N. C., a customs port of entry.

*May 29*—An executive order extending for ten years the trust period on allotments made to the Pawnee Indians of Oklahoma.

*June 4*—An executive order amending previous orders regarding radio frequencies now assigned to the Army.

*June 4*—An executive order withdrawing certain tracts of land in New Mexico lying west of the Texas boundary line as defined in the decree of the U. S. Supreme Court of April 9, 1928.

### **Proclamations**

*April 28*—A proclamation creating a board of five persons to investigate the dispute between the Kansas City, Mexico and Orient Railroad Company and certain of its train employees.

*May 16*—A proclamation extending the Copyright laws of the U. S. to citizens of Rumania.

### **Important Civilian Appointments**

*April 24*—H. Theodore Tate, of Tennessee, to be Treasurer of the U. S.

*April 24*—John H. Cunningham, of Westminster, Md., to be surveyor of customs, district No. 13, Baltimore, Md.

*April 24*—Manuel B. Otero, of Albuquerque, N. Mex., to be collector of customs, district No. 24, El Paso, Tex.

*April 24*—James B. Beverley, of Texas, to be attorney general of Porto Rico.

*May 4*—Genevieve R. Cline, of Cleveland, Ohio, to be a member of the U. S. Customs Court.

*May 10*—Lewis L. Drill, of Minnesota, to be U. S. attorney, district of Minnesota.

*May 14*—Edmund Platt, of New York, to be a member of the Federal Reserve Board for a term of 10 years from August 10, 1928.

*May 14*—Edgar J. Adams, of Oregon, to be district judge, division No. 1, district of Alaska.

*May 16*—Hutch I. Cone, of Florida, to be a member of the U. S. Shipping Board for a term of six years from June 9, 1928.

*May 16*—Carleton W. Sturtevant, of New York, to be the civilian member of the new Flood Control Board.

*May 16*—Henry C. Laubeneimer, of Illinois, to be U. S. Marshal, northern district of Illinois.

*May 17*—Patrick J. Farrell, of the District of Columbia, to be a member of the Interstate Commerce Commission for a term of seven years, expiring December 21, 1934.

*May 19*—George R. Cooksey, of the District of Columbia, to be a director of the War Finance Corporation for a term during the life of the corporation, but not exceeding four years.

*May 19*—Samuel S. Sandberg, of California, to be a member of the U. S. Shipping Board for a term of six years from June 9, 1928.

*May 19*—John H. Cotteral, of Oklahoma, to be U. S. Circuit judge, eighth circuit.

*May 19*—Zenophon Hicks, of Tennessee, to be U. S. Circuit judge, sixth circuit.

*May 23*—William B. Lymer, of Hawaii, to be U. S. District judge, District of Hawaii.

*May 23*—Ross R. Mowry, of Iowa, to be U. S. attorney, southern district of Iowa.

*May 25*—George C. Taylor, of Tennessee, to be U. S. district judge, eastern district of Tennessee.

*May 25*—Crate D. Bowen, of Florida, to be U. S. district judge, southern district of Florida.

*May 26*—Edward S. Vaught, of Oklahoma, to be U. S. district judge, western district of Oklahoma.

*May 26*—Anthony Savage, of Washington, to be U. S. attorney, western district of Washington.

*May 26*—John L. Gay, of Porto Rico, to be U. S. attorney, district of Porto Rico.

*May 26*—Arthur Rogers, of Tennessee, to be U. S. marshal, western district of Tennessee.

*May 29*—Oliver M. Loomis, of Indiana, to be U. S. attorney, northern district of Indiana.

*May 29*—Everett Greer, of Tennessee, to be U. S. attorney, eastern district of Tennessee.

*May 29*—Frank E. Roselle, of Indiana, to be U. S. marshal, northern district of Indiana.

*Continued on page 213*

## Uncle Sam's Book Shelf

### A Selected List of Publications of General Interest Issued by the Federal Government During the Month

*Copies of these publications may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., at the prices listed below.*

#### *Agriculture*

##### *Agriculture in France*

"Agricultural Survey of Europe: France;" by Louis G. Michael. (Agriculture Technical Bulletin 37.) Price, 25 cents. Covers trend in French agriculture, location and physical characteristics of France, trends in population, utilization of land, etc.

##### *Books on Agriculture Classified*

"Library of Congress, Classification, Class S, Agriculture, Plant and Animal Industry, Fish Culture and Fisheries, and Hunting Sports." (Second Edition.) Price, 25 cents. Covers prefatory note, table of contents, synopsis, outline, schedules, geographical distribution tables, and Index.

##### *Bridge Surveys*

"Highway Bridge Surveys;" by C. B. McCullough. (Agriculture Technical Bulletin 55.) Price, 20 cents. Covers method of reporting survey data, scope of bridge survey, materials survey, waterway survey, etc.

##### *Broomcorn in Oklahoma*

"Broomcorn Experiments at the United States Dry-Land Field Station, Woodward, Oklahoma;" by John B. Sieglinger. (Agriculture Technical Bulletin 51.) Price, 10 cents. Covers dwarf-broomcorn district, classification of broomcorn, Woodward field station, etc.

##### *Colorado River Silt*

"Silt in the Colorado River and Its Relation to Irrigation;" by Samuel Fortier, and Harry F. Blaney. (Agriculture Technical Bulletin 67.) Price, 20 cents. Covers summary and general conclusions, Colorado River Basin, character of silt, silt-sampling equipment, silt in tributary streams, etc.

##### *Corn Borer Control*

"Report of European Corn-Borer Control Campaign by the United States Department of Agriculture for the Period March 14, 1927, to October 31, 1927, Inclusive." (Department of Agriculture.) Price, 5 cents. Covers early infestations, control measures adopted, corn belt threatened, funds for investigation and control, etc.

##### *Feeding Beef Cattle*

"Feeding Cattle for Beef;" by W. H. Black. (Farmers' Bulletin 1549.) Price, 5 cents. Covers successful cattle feeding, the supply of feeder cattle, selecting feeders, dry-lot feeding, suggested rations, etc.

##### *Flowering Cherries*

"Japanese Flowering Cherries;" by Paul Russell. (Agriculture Circular 31.) Price, 10 cents. Covers history, botany, horticultural varieties, hardness, fruiting habits, soil and moisture propagation, etc.

##### *Harvester-Threshers on Great Plains*

"The Combined Harvester-Thresher in the Great Plains;" by L. A. Reynoldson, and others. (Agriculture Technical Bulletin 70.) Price, 15 cents. Covers development and use of the combine, scope of the study, description of districts and type of farming, acres cut annually by combines, etc.

##### *Lily Propagation*

"A Score of Easily Propagated Lilies;" by David Griffiths. (Agriculture Circular 23.) Price, 15 cents. Covers lily bulb, climate and soils for lily culture, preparation of soil, planting, cultivation, etc.

##### *Potato Wart Repression*

"Factors of Spread and Repression in Potato Wart;" by Freeman Weiss, and Phillip Brerley. (Agriculture Technical Bulletin 56.) Price, 5 cents. Covers means of dissemination of potato wart, viability of the pathogene in the dormant state, tomato as a host for potato wart, etc.

##### *Poultry Houses*

"Poultry Houses and Fixtures;" by M. A. Jull, and A. R. Lee. (Farmers' Bulletin 1554.) Price, 10 cents. Covers essentials in housing poultry, location and site, brooder houses, laying houses, capacity of houses, yards and fences, etc.

#### *Ranch Organization Methods*

"A Study of Ranch Organization and Methods of Range-Cattle Production in the Northern Great Plains Region;" by M. L. Wilson, and others. (Agriculture Technical Bulletin 45.) Price, 20 cents. Covers the northern Great Plains region, the agricultural development of the region, ranch management, etc.

#### *Rose Diseases*

"Rose Diseases, Their Causes and Control;" by Alma M. Waterman. (Farmers' Bulletin 1547.) Price, 5 cents. Covers leaf diseases, stem diseases, and blossom blight.

#### *Yellows in Tomatoes*

"Yellows a Serious Disease of Tomatoes;" by Michael Shapovalov. (Agriculture Miscellaneous Publication 13.) Price, 5 cents. Covers origin of the name "yellows," reasons for the new name, and the problem of control.

#### *Education*

##### *Chinese-American Calendar*

"Chinese-American Calendar for the 102 Chinese Years 1849-1951." (Labor Department.) Price, 50 cents. Covers preface, Do Kwong 29th year, Do Kwong 30th year, Ham Fung 1st year, Ham Fung 2d year, etc.

##### *College and University Statistics*

"Statistics of Universities, Colleges, and Professional Schools, 1925-26." (Education Bureau Bulletin 1927, No. 40.) Price, 25 cents. Covers institutions, professors and instructors, students, degrees, property, receipts, etc.

##### *Educational Directory*

"Educational Directory, 1928." (Education Bureau Bulletin 1928, No. 1.) Price, 20 cents. Covers United States bureau of education, principal state school officers, county and other local superintendents of schools, superintendents of public schools in cities and towns, presidents of universities and colleges, etc.

##### *Folk-Lore*

"Library of Congress, Classification, Class G, Geography, Anthropology, Folk-Lore, Manners and Customs, Sports, and Games." (Second Edition.) Price, 30 cents. Covers prefatory note, table of contents, synopsis, schedules, tables of subdivisions, and index.

#### *Foreign Trade*

##### *American Lumber in Japan*

"American Lumber in Japan;" by E. A. Selfridge. (Trade Promotion Series 59.) Price, 15 cents. Covers consumption of lumber in Japan, imports of lumber, trade-marking of lumber, channels of trade, lumber associations, etc.

##### *Fish Meal*

"The Fish Meal Industry;" by J. A. LeClerc. (Trade Information Bulletin 538.) Price, 10 cents. Covers definition of fish meal, use of fish meal, kinds of fish meal, methods of preparing fish meal, method of manufacture, price of fish meal, etc.

##### *Foreign Commerce of U. S., 1926*

"Foreign Commerce and Navigation of the United States, Calendar Year 1926, Volume II." (Bureau of Foreign and Domestic Commerce.) Price, \$1.75. Covers explanation of statistical tables, classification of countries, drawback paid on exported articles, 1926, exports of domestic merchandise by articles and countries, 1922-1926, etc.

##### *German Metal-Working Machinery*

"German Metal-Working Machinery Industry and Trade;" by Theodore Pilger. (Trade Information Bulletin 540.) Price, 10 cents. Covers growth of the industry, manufacturing districts, production of metal-working machinery, summary of manufacturing situation, German machine-tool manufacturers, etc.

##### *Iceland's Economic Aspects*

"Iceland, A Brief Economic Survey;" by Harry Sorenson. (Trade Information Bulletin 541.) Price, 10 cents. Covers population and language, agriculture, animal husbandry, fisheries, water power, industry, etc.

**Motion Pictures in Europe**

"The European Motion-Picture Industry in 1927;" by George R. Canty. (Trade Information Bulletin 542.) Price, 10 cents. Covers the general situation, new legislation, film production and theater construction, American feature films in Europe, etc.

**Trade Practice Conferences**

"Trade Practice Conferences, March 15, 1928." (Federal Trade Commission.) Price, 15 cents. Covers anti-hog-cholera serum virus, band instrument manufacturers, butter manufacturers, correspondence schools, edible oils, fur industry, gold-filled watch cases, etc.

**Government****Court of Claims Decisions**

"Cases Decided in the Court of Claims of the United States, February 1, 1927, to June 30, 1927, with Abstract of Decisions of the Supreme Court in Appealed Cases." Price, \$1.75. Covers judges and officers of the court, table of cases, table of statutes cited, proceedings on the death of Judge George E. Downey, etc.

**Industrial Accident Boards**

"Proceedings of the Fourteenth Annual Meeting of the International Association of Industrial Accident Boards and Commissions held at Atlanta, Ga., September 27-29, 1927." (Labor Bulletin 456.) Price, 40 cents. Covers address of the president, business meeting, discussion of report of committee on statistics and compensation insurance costs, what compensation commissions want of physicians, etc.

**Interstate Commerce Commission Reports**

"Interstate Commerce Commission Reports, Volume 125, Decisions of the Interstate Commerce Commission of the United States, March-July, 1927." (Valuation Reports.) (Interstate Commerce Commission.) Price, \$2.25. Covers members of the commission, table of cases, table of cases cited, opinions of the commission, and index digest.

"Fortieth Annual Report on the Statistics of Railways in the United States, for the Year Ended December 31, 1926, Including Also Selected Data Relating to Other Common Carriers Subject to the Interstate Commerce Act for the Year 1926." (Interstate Commerce Commission.) Price, \$1.30.

"Interstate Commerce Commission Reports, Volume 128, Decisions of the Interstate Commerce Commission of the United States, May-June, 1927." Price, \$2.25. Covers members of the commission, table of cases reported, table of cases cited, opinions of the commission, tables of commodities, etc.

**Lincoln Memorial**

"The Lincoln Memorial in Washington." Price, \$2.00. Covers the inception and history of the Lincoln Memorial, report of commission of fine arts recommending site, the architecture of the memorial, interior decorations, laying the cornerstone, etc.

**Customs Decisions**

"Treasury Decisions Under Customs and Other Laws, Vol. 52, July-December, 1927." (Treasury Department.) Price, \$1.75.

**U. S. Reports**

"United States Reports, Volume 274, Cases Adjudged in the Supreme Court, at October Term, 1927, from April 11, 1927 (in part) to and Including June 6, 1927." Price, \$2.00.

**Labor****Recreation in Industrial Establishments**

"Health and Recreation Activities in Industrial Establishments, 1926." (Labor Bulletin 458.) Price, 25 cents. Covers medical and hospital service for employees, sick leave with pay, vacations with pay, lunch rooms, indoor recreation, outdoor recreation, disability funds, etc.

**Fouling of Ships' Bottoms**

"Nature and Extent of Fouling of Ships' Bottoms;" by J. Paul Visscher. (Bureau of Fisheries Document No. 1031.) Price, 35 cents. Covers methods, nature of fouling, extent of fouling, effects of fouling, factors that determine fouling, etc.

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## JUDICIAL DEPARTMENT

### *The Month in the Supreme Court*

April 21 to June 4

*On April 30 the U. S. Supreme Court announced that no further arguments would be heard during the rest of the term. From April 21 to June 4 there were four decision days. On June 5 the Court adjourned until October 1. A complete review of the term will appear in the August-September number of the Digest.*

#### *Senate Elections Committee Denied Right to Bring Suit*

**The Case**—No. 744. James A. Reed, Charles L. McNary, William H. King, et al., Petitioners, vs. County Commissioners of Delaware County, Pa., et al. On writ of certiorari to the Circuit Court of Appeals for the Third Circuit.

**The Decision**—The dismissal of the suit brought by the members of the special campaign expenditures committee of the Senate, of which Senator Reed, Mo., D., is chairman, to gain possession of the ballot boxes, ballots, etc., used in the last Pennsylvania Senatorial election in Delaware County, was affirmed.

**The Opinion**—Mr. Justice Butler delivered the opinion of the Court on May 28, 1928, which is, in part, as follows:

"The petitioners brought this suit in the United States Court for the Eastern District of Pennsylvania. The court held it was without jurisdiction and dismissed the case. The Circuit Court of Appeals adopted its opinion and affirmed the decree.

"Petitioners maintain that the district court had jurisdiction under the first paragraph of section 24 of the Judicial Code, U. S. Tit. 28, section 41, which provides that the district courts shall have original jurisdiction 'of all suits of a civil nature, at common law or in equity, brought by the United States or by any officer thereof authorized by law to sue. . . .'

"Petitioners, other than South, are United States Senators and constitute a special committee created by the Senate Resolution 195, passed May 19, 1926, to make investigation of means used to influence the nomination of candidates for the Senate. The resolution empowered the committee 'to require by subpoena or otherwise the attendance of witnesses, the production of books, papers and documents, and to do such other acts as may be necessary in the matter of said investigation.'

"At a general election held in Pennsylvania November 2, 1926, William S. Vare and William B. Wilson were opposing candidates for the United States Senate. Vare was given the certificate of election and Wilson initiated a contest. Thereafter, January 11, 1927, the Senate passed Resolution 324. It recites that Wilson charges fraudulent and unlawful practices in connection with Vare's nomination and the election and declares that, unless preserved for the use of the Senate, evidence relating to the election will be lost or destroyed.

"The resolution empowers the special committee 'to take . . . and preserve all ballot boxes . . . re-

turn sheets . . . and other records, books and documents used in said Senatorial election . . .' It confers on the committee 'all powers of procedure with respect to the subject matter of this resolution that said committee possesses under Resolution Number 195 . . . with respect to the subject of that resolution.' And it requires the Sergeant-at-Arms of the Senate to attend and execute the directions of the committee.

"The Chairman of the Committee on Audit and Control of Contingent Expenditures having refused to approve the special committee's vouchers for expenses after the expiration of that Congress, the Sergeant-at-Arms refused to execute its orders. Thereupon the special committee directed the petitioner South, as its representative, to take possession of the boxes, ballots and other things referred to in Resolution 324.

"Respondents are the commissioners, the prothonotary and a justice of the peace of Delaware County, Pa. They are authorized custodians of boxes and ballots and other things used in connection with the election. These were demanded by South in behalf of the committee. Respondents declined to give them up, and this suit was brought to obtain possession of them.

"Petitioners do not claim that any Act of Congress authorizes the committee or its members, collectively or separately, to sue. Of course, South's authority is no greater than that of the committee he represents. The suit cannot be maintained unless the committee or its members were authorized to sue by Resolution 195 and 324, even if it be assumed that the Senate alone may give that authority. The power is not specially granted by either resolution. Petitioners rely on the general language in Resolution 195, which follows the express authorization of the committee to use its own process to require the production of evidence. The words are 'and do such other acts as may be necessary in the matter of said investigation.'

"The resolutions are to be construed having regard to the power possessed and customarily exerted by the Senate. It is the judge of the elections, returns and qualifications of its members. Art. I, section 5. It is fully empowered, and may determine, such matters without the aid of the House of Representatives or the Executive or Judicial Department. That power carries with it authority to take such steps as may be appropriate and necessary to secure information upon which to decide concerning elections.

"It has been customary for the Senate—and the House as well—to rely on its own power to compel attendance of witnesses and production of evidence in investigations made by it or through its committees. By means of its own process or that of its committee the Senate is empowered to obtain evidence relating to the matters committed to it by the Constitution. And Congress has passed laws calculated to facilitate such investigations. Petitioners have not called attention to any action of the Senate, and we know of none, that supports the construction for which they contend. In the absence of some definite indication of that purpose, the Senate may not reasonably be held to have intended to depart from its established usage.

"Authority to exert the powers of the Senate to compel

production of evidence differs widely from authority to invoke judicial power for that purpose. The phrase, 'such other acts as may be necessary,' may not be taken to include everything that under any circumstances might be covered by its words. The meaning of the general language employed is to be confined to acts belonging to the same general class as those specifically authorized.

"The context, the established practice of the Senate to rely on its own powers, and the attending circumstances oppose the construction for which petitioners contend and show that the Senate did not intend to authorize the committee, or anticipate that there might be need, to invoke the power of the Judicial Department. Petitioners are not 'authorized by law to sue.'"

### *The White House Calendar*

*Continued from page 209*

*April 23*—A communication transmitting a supplemental estimate of \$1,800,000 for the Postoffice Department.

*April 25*—A communication transmitting a supplemental estimate of \$2,962,388.52 for the War Department.

*April 25*—A communication transmitting a supplemental estimate of \$1,889,994 to enable the Secretary of Agriculture to assist the State of Kentucky in reconstructing roads and bridges damaged by flood in 1927.

*April 26*—A message transmitting and approving a request of the Secretary of State for an appropriation of \$1500 for the expenses of a delegate of the U. S. to the International Conference on Literary and Artistic Property opening in Rome, May 8, 1928.

*April 26*—A communication transmitting a supplemental estimate of \$500,000 for use by the Architect of the Capitol.

*May 3*—A communication transmitting a supplemental estimate of \$575,000 for the Treasury for public buildings.

*May 3*—A communication transmitting supplemental estimate of \$1,050,720.79 for the Interior Department.

*May 3*—A communication transmitting supplemental estimate of \$204,973 for the Department of Justice.

*May 3*—A communication transmitting supplemental estimate of \$2,429,241.59 for the Navy Department.

*May 8*—A communication transmitting supplemental estimate of \$215,878 for the War Department.

*May 11*—A communication transmitting supplemental estimate of \$417,115 for the Department of Commerce.

*May 12*—Six communications transmitting records of judgments against the Government by the U. S. Court of Claims and various U. S. District Courts.

*May 12*—A communication transmitting schedule of claims allowed by the General Accounting Office amounting to \$1,492,104.78.

*May 12*—A communication transmitting supplemental estimate of \$200,000 for the Department of Agriculture for maintenance of Bear River Bay, Utah, migratory bird refuge.

*May 12*—A communication transmitting supplemental estimate of \$392,640 and a proposed authorization of \$100,000 for the Interior Department.

*May 12*—A communication transmitting supplemental estimate of \$7,592.55 for the Navy Department.

*May 12*—A communication transmitting supplemental estimate of \$134,400 for the Federal Radio Commission.

*May 12*—A communication transmitting supplemental estimate of \$365,222.49 for the Department of Justice.

*May 14*—A communication transmitting supplemental estimate of \$250,448.15 for the Department of State.

*May 14*—A communication transmitting supplemental estimate of \$785,437 for the Navy Department.

*May 16*—A message transmitting report from the Secretary of State recommending an appropriation amounting to \$12,350 to pay the expenditures involved in the participation by the U. S. in the International Juridical Congress on Wireless Telegraphy to be held at Rome, October, 1928.

*May 18*—A communication transmitting supplemental estimates of \$121,595.59 for the Department of State.

*May 18*—A communication transmitting supplemental estimate of \$15,416,645 for the Department of War.

*May 21*—A communication transmitting records of judgments rendered against the Government by the United States District Court for the Northern District of California.

*May 21*—A communication transmitting supplemental estimate of \$5,000,000 for establishing and enforcing non-cotton zones for the eradication of pink bollworm cotton.

*May 21*—A communication transmitting supplemental estimate of \$185,000 for the War Department.

*May 21*—A communication transmitting supplemental estimate of \$200,000 for the Navy Department.

*May 22*—A communication transmitting supplemental estimate of \$193,000 for the War Department.

*May 22*—A communication transmitting supplemental estimate of \$117,000 for the War Department.

*May 22*—A communication transmitting supplemental estimate of \$980,000 for the Department of Agriculture.

*May 23*—A communication transmitting supplemental estimate of \$200,000 for the George Rogers Clark Sesquicentennial Commission.

*May 23*—A message returning without his approval the bill relating to the Agriculture Surplus Control Act.

*May 23*—A communication transmitting supplemental estimate of \$150,000 for the War Department.

*May 23*—A communication transmitting supplemental estimate of \$2,500,000 for the Department of Agriculture.

*May 23*—A communication transmitting supplemental estimate of \$7,500,000 for the Postoffice Department.

*May 28*—A communication transmitting supplemental estimate of \$300,000 for the construction of nurses' quarters at the Walter Reed Hospital, Washington, D. C.

**Farm Relief Bill Vetoed by President***Continued from page 195*

shall be based on differences in cost of production here and abroad, so far as that provision relates to agricultural products.

In conclusion, if the measure is enacted one would be led to wonder how long it would be before producers in other lines would clamor for similar "equalizing" subsidies from the public coffers. The lobbies of Congress would be filled with emissaries from every momentarily distressed industry demanding similar relief of a burdensome surplus at the expense of the Treasury. Once we plunged into the futile sophistries of such a system of wholesale commercial doles for special groups of middlemen and distributors at the expense of farmers and other producers, it is difficult to see what the end might be.

I have believed at all times that the only sound basis for further Federal Government action in behalf of agriculture would be to encourage its adequate organization to assist in building up marketing agencies and facilities in the control of the farmers themselves. I want to see them undertake,

under their own management, the marketing of their products under such conditions as will enable them to bring about greater stability in prices and less waste in marketing, but entirely within unalterable economic laws. Such a program, supported by a strong protective tariff on farm products, is the best method of effecting a permanent cure of existing agricultural ills. Such a program is in accordance with the American tradition and the American ideal of reliance on and maintenance of private initiative and individual responsibility, and the duty of the Government is discharged when it has provided conditions under which the individual can achieve success.

I am still hopeful that legislation along the lines suggested in my last annual message, with which many of the provisions of this bill are in harmony, may be enacted, but this bill embodies substantially all of the objectionable features which I said, in that message to the Congress, I could not indorse. I am therefore obliged to return Senate bill 3555, without my approval.—*Extracts, see 6, p. 214.*

**Action Taken by Congress***Continued from page 204***Monday, May 28, 1928*****Senate:***

On the motion of Mr. Curtis, Kan., R., for the adoption of a resolution to adjourn Congress on May 29, Mr. Johnson, Calif., R., offered an amendment fixing June 5 as the date of adjournment. This amendment was defeated, 41 to 39. Mr. Johnson then offered another amendment fixing June 2 as the date of adjournment, which was defeated, 42 to 38.

A vote was then taken on the Curtis resolution. The result was a tie, 40 to 40. Vice-President Dawes broke the tie by casting his vote against the resolution and it was defeated.

Resumed consideration of the Boulder Dam bill.

Adopted conference report on inland waterways bill.

Mr. Heflin, Ala., D., spoke on the Presidential candidacy of Governor Smith of New York.

Held all-night session, discussing Boulder Dam bill.

***House:***

Passed a number of bills on the calendar.

Adopted conference report on inland waterways bill.

Held night session for the consideration of private bills.

Adjourned.

**Tuesday, May 29, 1928*****Senate:***

Continued consideration of Boulder Dam bill.

On motion of Mr. Curtis, Kan., R., a resolution to adjourn

at 5:30 o'clock was considered and adopted by a vote of 46 to 35.

On motion of Mr. Johnson, Calif., R., the Boulder Dam bill was, by unanimous consent, made the unfinished business of the Senate when Congress reconvenes in December.

Passed a number of unobjectionable bills on the calendar.

Executive session.

Adjourned sine die.

***House:***

Adopted H. Res. 232 providing for the appointment by the Speaker of a special committee of five members of the House to investigate the campaign expenditures of the various candidates for President.

Adopted H. Res. 233 providing for the appointment by the Speaker of a special committee of five members of the House to study the condition of Federal prisoners confined in non-Federal prisons.

Mr. Williams, Ill., R., spoke on farm relief.

Passed S. J. Res. 164 providing for the appointment by the Secretary of the Interior of a board of engineers to examine and report on a site for the proposed Boulder Dam.

Mr. Burton, O., R., and Mr. Garner, Tex., spoke on the European debt situation.

Mr. Tilden, Conn., R., spoke on the work accomplished by the House during the session.

Speaker Longworth made a brief speech.

Adjourned sine die.

**Sources from which Material in this Number is Taken**

*Articles for which no source is given have been specially prepared for this number of The Congressional Digest*

- 1—Congressional Record, January 24, 1928.
- 2—Congressional Record (Appendix), February 4, 1928.
- 3—Congressional Record, January 5, 1928.
- 4—Congressional Record, May 16, 1928.

- 5—President Coolidge's message accompanying veto of the McNary-Haugen Farm Relief Bill, May 23, 1928.
- 6—Congressional Record, May 23, 1928.

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